

**COUNTY OF SAN JOAQUIN**

**AUDIT REPORT**

**JUNE 30, 2009**

**COUNTY OF SAN JOAQUIN  
AUDIT REPORT  
JUNE 30, 2009**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Grand Jury and  
Board of Supervisors  
County of San Joaquin, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Joaquin, California (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County management. Our responsibility is to express opinions on these statements based on our audit. We did not audit the financial statements of San Joaquin County Employees Retirement System. Those financial statements were audited by other auditors whose report thereon has been furnished to us. We also did not audit the financial statements of Head Start Child Development Council, Inc., San Joaquin County Economic Development Association, Local Agency Formation Commission or Health Plan of San Joaquin, which collectively represent 100 percent of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. In addition, we did not audit the San Joaquin General Hospital Enterprise Fund, a component unit of the County of San Joaquin. Those statements were audited by other auditors whose report has been furnished to us and reflected total assets that are 71% of total assets of Enterprise Funds and 90% of total revenues. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion, insofar as it relates to the amounts included for San Joaquin County Employees Retirement System, the discretely presented component units and the portion of the San Joaquin General Hospital Enterprise Fund as referenced above are based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Joaquin, California, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Honorable Grand Jury and Board of Supervisors  
County of San Joaquin, California

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 31, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules and the schedules of funding progress (required supplementary information) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information consisting of combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of San Joaquin, California. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, based on our audit and the reports of other auditors are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Roseville, California  
March 31, 2010

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**MANAGEMENT'S DISCUSSION  
& ANALYSIS**

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**COUNTY OF SAN JOAQUIN**  
**Management's Discussion and Analysis**  
**June 30, 2009**

This section of the County of San Joaquin's (County) annual financial report represents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2009. Please read it in conjunction with the County's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the 2008-2009 Fiscal Year by \$938.9 million, which is referred to as net assets. Of this amount, \$96.7 million is considered unrestricted net assets, which may be used to meet ongoing obligations to citizens and creditors. \$360.1 million is restricted net assets and limited to specific purposes and \$482.1 million is invested in capital assets, net of related debt.
- The County's total net assets decreased by \$21.4 million during the year. Governmental activities decreased the County's net assets by \$9.6 million and business-type activities decreased the County's net assets by \$11.9 million.
- As of June 30, 2009, the County governmental funds reported combined fund balances of \$329.3 million, which is a decrease of \$60.6 million from last year's fund balance. Of the combined fund balances, \$187.0 million or 56.8% is available to meet the County's current and future needs (*unreserved fund balances*).
- As of June 30, 2009, the unreserved fund balance for the general fund was \$71.4 million, or approximately 11.0% of the total general fund operating expenditures. This entire amount is budgeted to be spent in the next fiscal year.
- The County's total long-term liabilities that are due beyond one year at June 30, 2009 is \$330.1 million, \$244.9 million lower than the prior year's, primarily due to the removal of all debt related to the Mountain House Community Services District.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to Note 1, section (c) for further information on the accrual basis of accounting.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

**COUNTY OF SAN JOAQUIN**  
**Management's Discussion and Analysis**  
**June 30, 2009**

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property and sales taxes (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public protection; public ways and facilities; health, sanitation and public assistance; education and culture and recreation. The business-type activities of the County are the San Joaquin County General Hospital (Hospital), the San Joaquin County Airport (Airport), and the San Joaquin County Solid Waste Enterprise (Landfill).

Component units that are discretely presented in the County's basic financial statements consist of legally separate entities for which the County is financially accountable or whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Examples are the Head Start Child Development Council, Health Plan of San Joaquin, Local Agency Formation Commission, and San Joaquin County Economic Development Association.

**The government-wide financial statements can be found on pages 13-15 of this report.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports four major individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance. Data from the nonmajor governmental funds, including the debt service funds, are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopted an annual appropriated budget for all of its major governmental funds. Budgetary comparison schedules have been provided for the General Fund and the major special revenue funds to demonstrate compliance with this budget and are included in the required supplemental section of this report.

**The governmental funds financial statements can be found on pages 16-21 of this report.**



**COUNTY OF SAN JOAQUIN**  
**Management's Discussion and Analysis**  
**June 30, 2009**

*Proprietary funds* are reported in two ways: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Hospital, the Airport, and the Landfill whose revenues are from external user fees. *Internal services funds* are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its insurance programs, fleet maintenance, telephone and radio communication programs, office automation equipment replacement program, and general office supply and services programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail with the inclusion of cash flow statements. The County considers all its four enterprise funds as major funds to the County. The internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal services is provided in the form of combining statements elsewhere in this report.

**The proprietary funds financial statements can be found on pages 22-26 of this report.**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for Agency Funds. Agency funds are accounted for on the modified accounting basis.

**The fiduciary fund financial statements can be found on pages 27-28 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 29-80 of this report.

**Required Supplementary Information** provides the comparison of the budgetary information with the actual budget results for the major funds, the General Fund, the Mental Health and Substance Abuse Fund and the First 5 Program Fund. As mentioned earlier, the Board of Supervisors revises the budget throughout the year as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was actually adopted at year-end, which is not prohibited by state law.

**Other Supplementary Information** provides the combining and individual fund statements and schedules referred to earlier for nonmajor governmental funds, internal service and fiduciary funds immediately following the required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$938.9 million at the close of the fiscal year 2008-09.

**COUNTY OF SAN JOAQUIN**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**Condensed Statement of Net Assets (000's)**

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Assets:</b>						
Current and other assets	\$ 668,350	\$ 744,860	\$ 71,357	\$ 87,903	\$ 739,707	\$ 832,763
Capital assets	567,063	666,126	121,490	256,272	688,553	922,398
Total assets	<u>\$ 1,235,413</u>	<u>\$ 1,410,986</u>	<u>\$ 192,847</u>	<u>\$ 344,175</u>	<u>\$ 1,428,260</u>	<u>\$ 1,755,161</u>
<b>Liabilities:</b>						
Current and other liabilities	\$ 127,178	\$ 130,580	\$ 32,082	\$ 34,825	\$ 159,260	\$ 165,405
Long-term liabilities	226,825	311,419	103,263	263,567	330,088	574,986
Total liabilities	<u>354,003</u>	<u>441,999</u>	<u>135,345</u>	<u>298,392</u>	<u>489,348</u>	<u>740,391</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	441,546	402,092	40,581	17,825	482,127	419,917
Restricted	357,929	356,750	2,134	6,648	360,063	363,398
Unrestricted	81,935	210,145	14,787	21,310	96,722	231,455
Total net assets	<u>881,410</u>	<u>968,987</u>	<u>57,502</u>	<u>45,783</u>	<u>938,912</u>	<u>1,014,770</u>
Total liabilities and net assets	<u>\$ 1,235,413</u>	<u>\$ 1,410,986</u>	<u>\$ 192,847</u>	<u>\$ 344,175</u>	<u>\$ 1,428,260</u>	<u>\$ 1,755,161</u>

The largest portion of the County's net assets in the amount of \$482.1 million, approximately 51.4% of the total, represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, infrastructure and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens and to internal county departments. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A significant portion of the County's net assets of \$360.1 million represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's net assets is unrestricted net assets in the amount of \$96.7 million, which may be used to meet the County's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets for the County as a whole.

As shown below, the County's net assets were decreased by \$76.1 million during the current fiscal year. That decrease is comprised of a \$54.4 million decrease to beginning net assets due to the removal of the Mountain House Community Services District and the remaining decrease of \$21.4 million was due to expenses exceeding revenues in the current fiscal year. Since Mountain House Community Service District became an independent community service district on December 5, 2008, the County's beginning net assets were restated to remove the District's assets and liabilities.

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The following table indicates the changes in net assets for governmental and business-like activities.

**Changes in Net Assets (000's)**

	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 118,141	\$ 128,754	\$ 187,599	\$ 189,668	\$ 305,740	\$ 318,422
Operating grants and contr.	481,757	517,575	975	1,716	482,732	519,291
Capital grants and contr.	21,312	15,099	--	--	21,312	15,099
General Revenues:						
Property taxes	228,876	234,895	625	487	229,501	235,382
Property transfer taxes	2,416	3,236	--	--	2,416	3,236
Sales taxes	22,035	26,760	--	--	22,035	26,760
Motor vehicle and other in lieu taxes	4,383	4,804	--	--	4,383	4,804
Transient occupancy tax	372	442	--	--	372	442
Franchise and others	2,652	2,581	--	--	2,652	2,581
Tobacco settlement proceeds	6,850	6,230	--	--	6,850	6,230
Investment earnings	15,166	27,199	1,407	1,701	16,573	28,900
Miscellaneous	(117)	83	--	2,302	(117)	2,385
<b>Total Revenues</b>	<b>903,843</b>	<b>967,658</b>	<b>190,606</b>	<b>195,874</b>	<b>1,094,449</b>	<b>1,163,532</b>
Expenses:						
General government	38,744	32,880	--	--	38,744	32,880
Public protection	303,011	281,673	--	--	303,011	281,673
Public ways and facilities	41,408	50,211	--	--	41,408	50,211
Health and sanitation	135,808	135,982	--	--	135,808	135,982
Public assistance	344,216	334,827	--	--	344,216	334,827
Education	6,725	7,022	--	--	6,725	7,022
Culture and recreation	9,069	7,475	--	--	9,069	7,475
Interest on long-term debt	8,425	4,668	--	--	8,425	4,668
Solid waste	--	--	20,980	19,882	20,980	19,882
Hospital	--	--	203,676	206,744	203,676	206,744
Airport	--	--	3,813	3,937	3,813	3,937
<b>Total Expenses</b>	<b>887,406</b>	<b>854,738</b>	<b>228,469</b>	<b>230,563</b>	<b>1,115,875</b>	<b>1,085,301</b>
Excess (deficiency) before transfers	16,437	112,920	(37,863)	(34,689)	(21,426)	78,231
Transfers	(26,007)	(47,806)	26,007	47,806	--	--
<b>Change in net assets</b>	<b>(9,570)</b>	<b>65,114</b>	<b>(11,856)</b>	<b>13,117</b>	<b>(21,426)</b>	<b>78,231</b>
Net assets, beginning of year, restated	890,980	921,667	69,358	43,729	960,338	965,396
<b>Net assets, end of the year</b>	<b>\$ 881,410</b>	<b>\$ 986,781</b>	<b>\$ 57,502</b>	<b>\$ 56,846</b>	<b>\$ 938,912</b>	<b>\$ 1,043,627</b>

**Governmental activities.** Governmental activities decreased the County's net assets by \$9.6 million, accounting for 44.7% of the total decrease in net assets of the County.

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Revenues

Total revenue for the County's governmental activities decreased by \$63.8 million, or 6.6%, over the previous year.

- Revenues from the general revenues, such as property taxes, sales taxes and investment earnings decreased by \$23.6 million from the prior year. This decrease reflects the impact of a sluggish economy and falling real estate market in the county. Thus, resulting in a significant decrease in the rate of return on investments
- Revenues from service fees and court fees and fines decreased by \$10.6 million and the operating and capital grants and contributions decreased by \$29.6 million. As an arm of the state government, operating grants and contributions serve multiple programs and are tied to mandated services such as public assistance, public health, mental health, public safety, and etc. The capital grants were tied to specific capital projects within a specific time frame. These grant revenue sources decreased 5.6% over the prior year primarily due to decreased funding from various Federal and State sources.

Expenses

Expenses for most function categories funded by the County's general revenue reflected increases paralleling inflation and growth in the demand for services from the prior year. Overall, expenses for governmental activities increased by \$32.7 million, or 3.8%, over the previous year. Of the total increase, \$21.3 million from the public protection functional category, \$5.9 million comes from the general government functional category, and \$9.4 million comes from the public assistance functional category. The County's major cost component is salaries and benefits.

**Business-type activities.** Business-type activities decreased the County's net assets by \$11.9 million. By excluding the operating grants and the statutory-required contribution transfers of \$26.0 million from the governmental-activities funds, the Business-type activities would have decreased the County net assets by \$37.9 million.

Key factors that contributed to this decrease from the operating activities were the losses of \$29.9 million in the Hospital operation, \$3.4 million by the Landfill and \$1.5 million by the Airport.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund.** The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the County's governmental funds reported total fund balances of \$329.3 million, a decrease of \$60.5 million in comparison with the prior year. Approximately 56.8%, or \$187.0 million, of the total fund balance constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has been committed: 1) to pay debt service, \$18.5 million; 2) to reflect inventories and interfund advances that are long-term in nature and thus do not represent available spendable resources, \$8.8 million and 3) to liquidate contractual commitments of the period – \$115.4 million. The County's management may also designate unreserved fund balance to a particular function or activity; however, designated fund balance is available for appropriations at any time.

The general fund is the main operational fund of the County. At June 30, 2009, it had an unreserved fund balance of \$71.1 million while its total fund balance was \$92.6 million, an increase of \$23.7 million from the prior year. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund

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**Management's Discussion and Analysis**  
**June 30, 2009**

balance to total fund expenditures less transfers. Unreserved fund balance represents 11.0% of total fund expenditures, while total fund balance represents 14.4% of the same amount.

The Mental Health and Substance Abuse Fund, a major fund, was established to account for the mental health and substance abuse prevention and treatment services' activities. Therefore, the fund balance must be used for these designated services. At June 30, 2009, of its \$11.3 million fund balance, \$1.2 million has been committed and the remaining balance of \$10.1 million is available for the next fiscal year's appropriation.

The First Five Program, a major fund, was created following voter approval of the Children and Families Act of 1998 (Proposition 10) for the purposes of promoting and improving the early development of children from the prenatal stage to five years of age. The fund balance is, therefore, restricted for this program. At June 30, 2009, of its \$8.8 million fund balance, \$15.5 million has been committed and the deficit balance of \$6.7 million is expected to be recovered in fiscal year 2009-10.

The County Capital Outlay Fund was created to account for the expenditures related to the new acquisition, construction, major maintenance and/or additions and renovations of the County's facilities. Completion time for a capital project is often longer than a single fiscal year, depending on complexity and magnitude. Funds for projects still in progress at the end of a fiscal year are encumbered and carried forward in order to complete the work. At June 30, 2009, it had a fund balance of \$63.9 million.

Revenues for governmental functions totaled \$912.2 million in fiscal year 2008-09, which represents a \$17.7 million or 1.9% decrease from fiscal year 2007-08. The largest decreases in revenues were aid from other governmental agencies \$29.2 million, use of money and property \$10.4 million, and charges for services \$9.8 million. The largest increases in revenues were tax revenues \$35.0 million, which is attributable to a significant increase in collections from the delinquent tax roll.

Expenditures for government functions totaled \$947.0 million in fiscal year 2008-09, which represents a decrease of \$23.0 million or 2.4% from the prior year. The largest increase occurred in functional categories of the public safety \$19.8 million and public assistance \$9.2 million; while the largest decreases occurred in capital outlay \$30.8 million and public ways and facilities \$7.7 million.

**Proprietary funds.** The County's proprietary funds provide similar information found in the governmental-wide financial statements, but in more detail.

The Solid Waste Enterprise had \$2.4 million in net assets at June 30, 2009, the Airport Enterprise had \$13.2 million, and the Hospital Enterprise had \$42.0 million. The unrestricted net assets amounted to \$(1.3) million, \$1.7 million, and \$17.0 million, respectively, of the total proprietary funds' net assets.

The internal service funds had \$80.6 million in net assets at June 30 2009 with \$69.0 million as unrestricted. Of the unrestricted net assets, \$59.8 million is designated for future claims under the County's self-insurance programs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the 2008-09 fiscal year's original budget and the final amended budget resulted in a \$41.5 million net increase to appropriations. The major increases in the final amended budget can be briefly summarized as follows:

- The general government budget increased by \$21.7 million largely due to reverting Capital Improvement Program funds back to the General Fund.
- The reserve for contingency budget increased by \$5.0 million to reflect the re-appropriation of the excess prior year general funded balances.

**COUNTY OF SAN JOAQUIN**  
**Management's Discussion and Analysis**  
**June 30, 2009**

- The public assistance function budget increased by \$6.1 million to reflect the additional funding provided by the Federal and the State governments for public assistance programs.
- The transfers-out budget increased by \$8.1 million to reflect the additional funding provided to various programs managed by other funds.

During the year, actual revenues were less than budgetary estimates by \$83.0 million. The net decrease reflects the combination of increases and decreases of various revenue sources. The major decreases are \$84.8 million in Aid from Other Governmental Agencies for the public assistance area and \$27.9 million in transfers-in; while the major increase was \$23.1 million in net property and sales tax.

Actual expenditures were less than final amended budgetary estimates by \$163.4 million. A majority of the difference is attributable to below budget expenditures in public protection (\$14.5 million), health and human services (\$7.3 million), public assistance (\$47.9 million) and general government (\$47.6 million). The County also appropriated \$43.2 million for contingencies as part of the County reserve policy. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$80.4 million, thus eliminating the need to draw upon existing fund balance.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### **Capital assets**

The County's investment in capital assets, net of related debt, for its governmental and business-type activities as of June 30, 2009, amounted to \$480.1 million. This investment in capital assets includes infrastructure, infrastructure in progress, land, buildings and improvements, equipment and construction in progress. The total increase in the County's investment in capital assets for the current period was 14.3%.

Major capital asset events during the current fiscal year included the following:

- Land decreased by \$15.8 million due mainly to the Mountain House Community Services District becoming a district independent of the County and therefore removed from the County's report.
- Construction in progress increased by \$13.3 million due mainly to the new County administration building.
- Infrastructure assets decreased by \$258.8 million due mainly to the Mountain House Community Services District becoming a district independent of the County and therefore removed from the County's report.
- Structure and improvements of \$52.4 million were added during the year for various County projects.
- All depreciable assets, except infrastructure, were depreciated from the mid-month of the acquisition month to the end of the current fiscal year. Infrastructures acquired since 1985 were depreciated, using the composite method, over the life of 25 years.

Capital assets, net of accumulated depreciation, for the governmental and business-type activities are presented below to illustrate changes from the prior year:

**COUNTY OF SAN JOAQUIN**  
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(\$000's)	Governmental Activities		Business-Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Infrastructure	\$ 208,091	\$ 339,699	\$ --	\$ --	\$ 208,091	\$ 339,699
Land and easements	13,935	29,757	4,663	4,663	18,598	34,420
Structure and improvements	196,960	174,285	87,449	57,740	284,409	232,025
Equipment	36,554	33,892	21,883	52,397	58,437	86,289
Construction in progress	107,243	86,620	7,495	13,947	114,738	100,567
Other capitaized assets	4,280	1,873	--	--	4,280	1,873
<b>Total</b>	<b>\$ 567,063</b>	<b>\$ 666,126</b>	<b>\$ 121,490</b>	<b>\$ 128,747</b>	<b>\$ 688,553</b>	<b>\$ 794,873</b>

For additional information related to capital assets, see note 5 on pages 58-59.

**Long-term debt**

At June 30, 2009, the County had total long-term outstanding debt of \$302.5 million, excluding the amount due within one year (\$85.1 million). This amount was comprised of \$217.0 million of certificates of participation, \$13.0 million in landfill closure/postclosure, \$3.6 million in capital lease obligations, \$3.2 million in notes payable, \$5.9 million in earned compensated absences and \$59.8 million for estimated self-insurance claims.

For additional information related to long-term debt, see notes 6, 7 and 8 on pages 60-68.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The County's 2009-10 budget includes funding reductions in many programs and services reflecting the prolonged recession that continues to negatively impact local revenues derived from property tax, sales tax, and development-related fees.
- The State's economic condition and financial situation continue to have a significant impact on the County's budget. Even though the constitutional amendment (Proposition 1A) approved in November 2004 protects, to some extent, local government revenues from reductions by the State, State funding for programs and services administered by the County on behalf of the State continues to be at risk. Programs that are most susceptible to State budget reductions include public safety grants, and health and human services programs.
- In July 2009, the Governor signed the revised State's budget which (1) suspends Proposition 1A and authorizes the State to borrow 8 percent of local property taxes totaling \$1.9 billion Statewide, San Joaquin County's share of the loan totals \$16.8 million; (2) authorizes local agencies to securitize (borrow against) the State's repayment of the Proposition 1A loan so that local agencies who choose to participate in the securitization program could receive 100 percent of their receivable in fiscal year 2009-10 (in October 2009, the San Joaquin County Board of Supervisors adopted Resolutions R-09-538 to R-09-555 authorizing the County to participate in the securitization program); (3) reduces the Williamson Act Subvention Program funding from \$34.7 million to \$1,000; in fiscal year 2007-08, San Joaquin County received \$1.7 million from this program; (4) provides \$700 million from Proposition 1B-Transportation fund for local streets and roads, San Joaquin County's projected share is \$8.9 million; and (5) imposes additional reductions to various public assistance/human services programs including the CalWORKS program (reduces funding for County administration and aid payments), In-Home Supportive Services (limits services to those consumers with more severe disability), and Child Welfare Services (reduces State reimbursement rates for children placed in foster care and group homes).

**COUNTY OF SAN JOAQUIN**  
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All of these factors were considered in preparing the County's budget for fiscal 2009-10, approximately \$1.268 billion (including the business-like activities).

During the current fiscal year, unreserved fund balance in the general fund increased to \$71.1 million. The County has appropriated the full amount for spending in the 2009-10 fiscal year budget.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or to request additional financial information should be addressed to the Auditor-Controller's Office, 44 N. San Joaquin St., Fifth Floor, Suite 550, Stockton, CA 95202.



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**BASIC FINANCIAL STATEMENTS**  
**Government-Wide Financial Statements**

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# COUNTY OF SAN JOAQUIN

## Statement of Net Assets June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 448,055,446	\$ 16,424,092	\$ 464,479,538	\$ 26,376,219
Other banks	--	867,181	867,181	873,028
Imprest cash	321,740	4,730	326,470	--
Accounts receivable, net	15,209,021	43,077,687	58,286,708	108,496
Taxes receivable	84,010,086	--	84,010,086	--
Interest receivable	1,257,468	39,567	1,297,035	98,723
Internal balances	22,454,117	(22,454,117)	--	--
Due from other agencies	78,032,148	15,445,412	93,477,560	11,738,219
Loans receivable	20,000	--	20,000	--
Prepaid expenses	769,211	639,864	1,409,075	--
Inventory	1,092,813	2,578,025	3,670,838	--
Other assets	25,500	--	25,500	3,309,133
Unamortized debt issuance cost	1,552,053	1,209,017	2,761,070	--
Restricted assets:				
Cash and investments	15,389,747	13,360,527	28,750,274	--
Interest receivable	160,993	164,918	325,911	--
Capital assets:				
Non depreciable	121,178,364	12,158,623	133,336,987	--
Depreciable, net	445,884,536	109,331,768	555,216,304	13,843,752
Total Assets	<u>\$ 1,235,413,243</u>	<u>\$ 192,847,294</u>	<u>\$ 1,428,260,537</u>	<u>\$ 56,347,570</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25,916,381	\$ 8,638,233	\$ 34,554,614	\$ 1,654,503
Accrued expenses	10,831,237	3,271,097	14,102,334	2,664,401
Unearned revenue	18,420,729	4,448,817	22,869,546	111,466
Long-term liabilities:				
Due within one year	70,218,129	13,642,850	83,860,979	12,234,511
Due beyond one year	204,627,006	97,764,770	302,391,776	1,878,679
Other post employment benefits	22,198,241	5,498,759	27,697,000	--
Other liabilities	592,079	535,649	1,127,728	1,262,865
Payable from restricted assets:				
Accrued interest	1,199,370	1,544,918	2,744,288	--
Total Liabilities	<u>354,003,172</u>	<u>135,345,093</u>	<u>489,348,265</u>	<u>19,806,425</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	441,546,314	40,581,470	482,127,784	13,843,752
Restricted for:				
Capital projects	217,512,570	--	217,512,570	--
Debt service	18,519,612	1,409,862	19,929,474	--
Children and Families Act Program	8,624,822	--	8,624,822	--
Substance abuse and crime prevention	648,886	--	648,886	--
Public works and community infrastructure	60,449,058	--	60,449,058	--
Local law enforcement programs	250,753	--	250,753	--
Mental health and substance abuse programs	18,881,349	--	18,881,349	--
Other programs	33,041,472	723,901	33,765,373	--
Unrestricted	81,935,235	14,786,968	96,722,203	22,697,393
Total Net Assets	<u>881,410,071</u>	<u>57,502,201</u>	<u>938,912,272</u>	<u>36,541,145</u>
Total Liabilities and Net Assets	<u>\$ 1,235,413,243</u>	<u>\$ 192,847,294</u>	<u>\$ 1,428,260,537</u>	<u>\$ 56,347,570</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Activities  
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 54,793,638	\$ (16,049,653)	\$ 20,891,343	\$ 2,317,387	\$ 2,240,105
Public protection	294,093,835	8,916,710	46,309,079	79,743,522	--
Public ways and facilities	39,026,661	1,165,430	10,333,240	12,686,393	19,071,794
Community infrastructure program	1,215,791	--	1,344,892	--	--
Health and sanitation	118,325,474	1,841,027	34,934,714	85,393,948	--
Children and families act program	15,705,715	(63,839)	574	10,871,285	--
Public assistance	341,710,184	2,506,268	2,166,674	290,744,166	--
Education	6,711,995	12,557	274,717	--	--
Recreation and cultural services	7,397,681	1,671,500	1,885,727	--	--
Interest on long-term debt	8,424,991	--	--	--	--
Total Governmental Activities	<u>887,405,965</u>	<u>--</u>	<u>118,140,960</u>	<u>481,756,701</u>	<u>21,311,899</u>
Business-Type Activities:					
Hospital	203,675,658	--	169,748,603	--	--
Airport	3,813,218	--	1,576,065	761,529	--
Solid Waste	20,980,240	--	16,274,245	213,426	--
Total Business-Type Activities:	<u>228,469,116</u>	<u>--</u>	<u>187,598,913</u>	<u>974,955</u>	<u>--</u>
<b>Total Primary Government</b>	<u>\$ 1,115,875,081</u>	<u>\$ --</u>	<u>\$ 305,739,873</u>	<u>\$ 482,731,656</u>	<u>\$ 21,311,899</u>
<b>Component Units</b>					
Headstart	\$ 37,644,308	\$ --	\$ 2,704,016	\$ 34,109,721	\$ --
Health Plan of San Joaquin	126,937,982	--	1,383,867	127,077,439	--
San Joaquin Economic Development	552,474	--	255,100	165,557	--
Local Agency Formation Commission	442,699	--	--	472,746	--
Total Component Units	<u>\$ 165,577,463</u>	<u>\$ --</u>	<u>\$ 4,342,983</u>	<u>\$ 161,825,463</u>	<u>\$ --</u>
General Revenues:					
Taxes:					
Property taxes					
Property transfer taxes					
Sales and use taxes					
Transient occupancy taxes					
Franchise and other					
Other in-lieu taxes					
Unrestricted interest and investment earnings					
Tobacco settlement proceeds					
Miscellaneous					
Transfers					
Total General Revenues and Transfers					
Change in Net Assets					
Net assets - beginning, as restated					
Net assets - ending					

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and  
Changes in Net Assets

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (13,295,150)	\$ --	\$ (13,295,150)	\$ --
(176,957,944)	--	(176,957,944)	--
1,899,336	--	1,899,336	--
129,101	--	129,101	--
162,161	--	162,161	--
(4,770,017)	--	(4,770,017)	--
(51,305,612)	--	(51,305,612)	--
(6,449,835)	--	(6,449,835)	--
(7,183,454)	--	(7,183,454)	--
(8,424,991)	--	(8,424,991)	--
<u>(266,196,405)</u>	<u>--</u>	<u>(266,196,405)</u>	<u>--</u>
--	(33,927,055)	(33,927,055)	--
--	(1,475,624)	(1,475,624)	--
--	(4,492,569)	(4,492,569)	--
--	<u>(39,895,248)</u>	<u>(39,895,248)</u>	<u>--</u>
<u>(266,196,405)</u>	<u>(39,895,248)</u>	<u>(306,091,653)</u>	<u>--</u>
--	--	--	(830,571)
--	--	--	1,523,324
--	--	--	(131,817)
--	--	--	<u>30,047</u>
--	--	--	<u>590,983</u>
228,875,556	624,866	229,500,422	--
2,415,871	--	2,415,871	--
22,034,677	--	22,034,677	--
372,774	--	372,774	--
2,651,601	--	2,651,601	--
4,383,463	--	4,383,463	--
15,167,101	1,407,937	16,575,038	535,642
6,849,537	--	6,849,537	--
(116,862)	--	(116,862)	--
<u>(26,006,773)</u>	<u>26,006,773</u>	<u>--</u>	<u>--</u>
<u>256,626,945</u>	<u>28,039,576</u>	<u>284,666,521</u>	<u>535,642</u>
(9,569,460)	(11,855,672)	(21,425,132)	1,126,625
<u>890,979,531</u>	<u>69,357,873</u>	<u>960,337,404</u>	<u>35,414,520</u>
<u>\$ 881,410,071</u>	<u>\$ 57,502,201</u>	<u>\$ 938,912,272</u>	<u>\$ 36,541,145</u>

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**BASIC FINANCIAL STATEMENTS**  
**Fund Financial Statements**

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# COUNTY OF SAN JOAQUIN

## Balance Sheet Governmental Funds June 30, 2009

	General Fund	Mental Health Substance Abuse	First Five Program	County Capital Outlay Fund
<b>ASSETS</b>				
Cash and Investments:				
Pooled	\$ 90,606,066	\$ 4,104,467	\$ 10,147,401	\$ 61,429,955
Imprest cash	248,975	39,450	--	--
Accounts receivable	4,447,100	8,692,869	--	--
Taxes receivable	83,470,404	--	--	--
Interest receivable	382,424	29,624	27,478	190,282
Due from other agencies	69,052,149	2,720,714	1,556,533	--
Due from other funds	22,997,583	41,886	--	649,415
Advances to other funds	7,264,186	--	--	343,259
Loans receivable	20,000	--	--	--
Inventory	70,224	79,704	--	--
Other assets	25,500	--	--	--
Restricted assets:				
Restricted cash and investments	--	--	--	4,908,968
Receivables	--	--	--	86,818
Interest receivable	--	--	--	--
Total Assets	<u>\$ 278,584,611</u>	<u>\$ 15,708,714</u>	<u>\$ 11,731,412</u>	<u>\$ 67,608,697</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,680,714	\$ 1,071,819	\$ 2,910,213	\$ 4,361,123
Due to other funds	2,213,227	91,048	29,209	170,908
Accrued salaries	8,343,890	1,100,671	25,857	--
Deferred revenues	124,075,326	2,168,507	--	--
Advances from other funds	--	--	--	--
Teeter note	42,000,000	--	--	--
Accrued interest	98,130	--	--	--
Other liabilities	592,079	--	--	--
Total Liabilities	<u>186,003,366</u>	<u>4,432,045</u>	<u>2,965,279</u>	<u>4,532,031</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	13,530,625	1,095,084	15,458,236	68,257,421
Inventory	70,224	79,704	--	--
Debt service	--	--	--	--
Advances and loans	7,284,186	--	--	343,259
Other assets	248,975	39,450	--	--
Unreserved, reported in				
General fund	71,447,235	--	--	--
Special revenue funds	--	10,062,431	(6,692,103)	--
Capital projects funds	--	--	--	(5,524,014)
Total Fund Balances	<u>92,581,245</u>	<u>11,276,669</u>	<u>8,766,133</u>	<u>63,076,666</u>
Total Liabilities and Fund Balances	<u>\$ 278,584,611</u>	<u>\$ 15,708,714</u>	<u>\$ 11,731,412</u>	<u>\$ 67,608,697</u>

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total
\$ 149,355,588	\$ 315,643,477
33,275	321,700
804,273	13,944,242
539,682	84,010,086
301,806	931,614
4,702,752	78,032,148
220,752	23,909,636
--	7,607,445
--	20,000
319,547	469,475
--	25,500
10,480,779	15,389,747
--	86,818
74,175	74,175
<u>\$ 166,832,629</u>	<u>\$ 540,466,063</u>
\$ 4,177,338	\$ 21,201,207
2,574,464	5,078,856
1,275,031	10,745,449
610,097	126,853,930
4,574,035	4,574,035
--	42,000,000
--	98,130
--	592,079
<u>13,210,965</u>	<u>211,143,686</u>
17,032,901	115,374,267
319,547	469,475
18,519,612	18,519,612
--	7,627,445
33,275	321,700
--	71,447,235
100,077,021	103,447,349
17,639,308	12,115,294
<u>153,621,664</u>	<u>329,322,377</u>
<u>\$ 166,832,629</u>	<u>\$ 540,466,063</u>

# COUNTY OF SAN JOAQUIN

## Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets - Governmental Activities June 30, 2009

<b>Fund Balance - total governmental funds</b>			\$ 329,322,377
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			551,906,293
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the governmental funds.			108,438,684
Internal service funds are used by the County to charge the cost of unemployment insurance, dental insurance, fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:			80,640,965
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.			
Certificates of participation	\$	(136,235,333)	
Capital leases		(128,426)	
Notes payable		(1,430,797)	
OPEB liability		(21,982,013)	
Compensated absences		(29,661,619)	
Accrued interest payable		(1,012,113)	
Unamortized issuance costs		1,552,053	(188,898,248)
<b>Net assets of governmental activities</b>			<u>\$ 881,410,071</u>

The accompanying notes are an integral part of these financial statements.



## COUNTY OF SAN JOAQUIN

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2009

	General Fund	Mental Health Substance Abuse	First Five Program	County Capital Outlay Fund
<b>Revenues:</b>				
Taxes	\$ 240,070,831	\$ --	\$ --	\$ --
Licenses and permits	4,750,396	--	--	--
Fines, forfeitures and penalties	15,242,379	155,071	--	--
Use of money and property	3,976,469	158,432	346,705	3,791,730
Aid from other governmental agencies	370,598,094	42,900,349	10,871,285	2,339,259
Charges for services	45,561,177	27,525,846	--	--
Other revenues	11,490,917	91,869	573	27,454
Total Revenues	<u>691,690,263</u>	<u>70,831,567</u>	<u>11,218,563</u>	<u>6,158,443</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	47,702,236	--	--	304,356
Public protection	246,661,718	--	--	1,237,844
Public ways and facilities	--	--	--	8,511
Health and sanitation	36,726,878	75,996,131	15,675,334	--
Public assistance	302,104,872	--	--	--
Education	414,836	--	--	--
Recreation and culture	5,846,074	--	--	311,983
Capital outlay	3,538,462	1,137,047	--	59,232,301
<b>Debt Service:</b>				
Principal retirement	397,485	--	--	--
Interest and debt issuance costs	887,070	--	--	--
Total Expenditures	<u>644,279,631</u>	<u>77,133,178</u>	<u>15,675,334</u>	<u>61,094,995</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>47,410,632</u>	<u>(6,301,611)</u>	<u>(4,456,771)</u>	<u>(54,936,552)</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of debt	790,682	--	--	--
Transfers in	26,738,508	9,771,060	--	3,118,251
Transfers out	<u>(51,268,690)</u>	<u>(989,888)</u>	<u>(63,839)</u>	<u>(23,054,320)</u>
Total Other Financing Sources (Uses)	<u>(23,739,500)</u>	<u>8,781,172</u>	<u>(63,839)</u>	<u>(19,936,069)</u>
Net change in fund balances	23,671,132	2,479,561	(4,520,610)	(74,872,621)
Fund balance - beginning, restated	<u>68,910,113</u>	<u>8,797,108</u>	<u>13,286,743</u>	<u>137,949,287</u>
Fund balance - ending	<u>\$ 92,581,245</u>	<u>\$ 11,276,669</u>	<u>\$ 8,766,133</u>	<u>\$ 63,076,666</u>

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total
\$ 22,050,168	\$ 262,120,999
159,214	4,909,610
1,771,793	17,169,243
3,917,527	12,190,863
84,497,429	511,206,416
18,374,532	91,461,555
1,600,906	13,211,719
<u>132,371,569</u>	<u>912,270,405</u>
--	48,006,592
28,708,140	276,607,702
28,228,035	28,236,546
2,201,601	130,599,944
35,457,283	337,562,155
6,231,800	6,646,636
211,231	6,369,288
35,633,431	99,541,241
6,000,300	6,397,785
7,049,111	7,936,181
<u>149,720,932</u>	<u>947,904,070</u>
<u>(17,349,363)</u>	<u>(35,633,665)</u>
--	790,682
17,983,318	57,611,137
<u>(8,767,128)</u>	<u>(84,143,865)</u>
<u>9,216,190</u>	<u>(25,742,046)</u>
(8,133,173)	(61,375,711)
<u>161,754,837</u>	<u>390,698,088</u>
<u>\$ 153,621,664</u>	<u>\$ 329,322,377</u>

**COUNTY OF SAN JOAQUIN**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Government-wide Statement of Activities - Governmental Activities  
For the Year Ended June 30, 2009

<b>Net change to fund balance - total governmental funds</b>		\$ (61,375,711)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 92,791,889	
Less current year depreciation	<u>(24,103,059)</u>	68,688,830
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund		
Increase (decrease) in accrued property tax revenues	(13,401,273)	
Increase (decrease) in accrued grant revenues	<u>2,140,596</u>	(11,260,677)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repayments:		
Certificate of participation	5,995,000	
Notes payable	329,334	
Capital leases	73,451	
Less amortization of discount on certificate of participation	<u>(328,658)</u>	6,069,127
Long-term debt proceeds is a financial resource in the governmental funds, but it has no impact on the statement of activities since it increases the long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
New issuance of long-term debt		(790,682)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	(194,566)	
Change in compensated absences	(1,600,413)	
Change in OPEB liability	<u>(11,314,458)</u>	(13,109,437)
Capital assets transferred to external funds are recorded as reduction of net assets, but they do not provide any addition to current financial resources and therefore are not reported as revenues in the governmental funds.		
		1,046,400
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		
		<u>1,162,690</u>
<b>Change in net assets of governmental activities</b>		<u><u>\$ (9,569,460)</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental
	General	Stockton	Solid	Total	Internal
	Hospital	Metropolitan Airport	Waste Disposal		Service Funds
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ --	\$ 1,663,940	\$ 14,760,152	\$ 16,424,092	\$ 132,411,969
Other banks	867,181	--	--	867,181	--
Imprest cash	2,580	250	1,900	4,730	40
Accounts receivable, net	41,723,738	314,832	1,039,117	43,077,687	130,082
Interest receivable	--	4,354	35,213	39,567	325,854
Due from other funds	64,870	--	50	64,920	1,629,110
Due from other agencies	15,442,245	3,167	--	15,445,412	1,134,697
Prepaid expenses	639,864	--	--	639,864	763,728
Inventories	2,571,062	--	6,963	2,578,025	623,338
	<u>61,311,540</u>	<u>1,986,543</u>	<u>15,843,395</u>	<u>79,141,478</u>	<u>137,018,818</u>
Total Current Assets					
Noncurrent Assets:					
Unamortized debt issuance cost	810,019	--	398,998	1,209,017	--
Restricted Assets:					
Cash and investments	8,846,397	--	4,514,130	13,360,527	--
Interest receivable	164,918	--	--	164,918	--
	<u>9,011,315</u>	<u>--</u>	<u>4,514,130</u>	<u>13,525,445</u>	<u>--</u>
Total Restricted Assets					
Capital Assets:					
Non-depreciable	6,473,859	1,673,694	4,011,070	12,158,623	17,481
Depreciable, net	76,400,292	14,027,947	18,903,529	109,331,768	15,139,126
	<u>82,874,151</u>	<u>15,701,641</u>	<u>22,914,599</u>	<u>121,490,391</u>	<u>15,156,607</u>
Total Capital Assets					
Total Noncurrent Assets	<u>92,695,485</u>	<u>15,701,641</u>	<u>27,827,727</u>	<u>136,224,853</u>	<u>15,156,607</u>
Total Assets	<u>\$ 154,007,025</u>	<u>\$ 17,688,184</u>	<u>\$ 43,671,122</u>	<u>\$ 215,366,331</u>	<u>\$ 152,175,425</u>

Continued

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Fund Net Assets (continued)  
 Proprietary Funds  
 June 30, 2009

	General Hospital	Stockton Metropolitan Airport	Solid Waste Disposal	Total	Internal Service Funds
<u>Liabilities and Net Assets</u>					
Current Liabilities:					
Accounts payable	\$ 7,667,886	\$ 118,627	\$ 851,720	\$ 8,638,233	\$ 4,715,174
Accrued payroll	3,094,763	20,296	156,038	3,271,097	85,788
Due to other funds	19,424,318	388,561	16,007	19,828,886	695,924
Other current liabilities	--	62,458	473,191	535,649	--
Payable from restricted assets:					
Interest payable	1,249,837	--	295,081	1,544,918	89,127
Current portion:					
Certificates of participation	4,555,000	--	3,155,000	7,710,000	--
Notes payable	--	4,781	--	4,781	54,574
Capital leases	580,425	--	--	580,425	1,113,681
Compensated absences	4,848,179	43,460	456,005	5,347,644	213,494
<b>Total Current Liabilities</b>	<b>41,420,408</b>	<b>638,183</b>	<b>5,403,042</b>	<b>47,461,633</b>	<b>6,967,762</b>
Long-Term Liabilities					
Unearned revenue	3,355,876	1,092,941	--	4,448,817	--
Advances from other funds	--	2,690,151	--	2,690,151	343,259
Certificates of participation	60,485,783	--	22,443,494	82,929,277	--
Notes payable	--	71,040	--	71,040	1,748,722
Capital leases	1,154,846	--	--	1,154,846	2,421,902
Compensated absences	551,064	--	86,870	637,934	12,755
Claims liability	--	--	--	--	59,823,832
Liability for closure/ postclosure costs	--	--	12,971,673	12,971,673	--
OPEB liability	5,064,111	44,749	389,899	5,498,759	216,228
<b>Total Liabilities</b>	<b>112,032,088</b>	<b>4,537,064</b>	<b>41,294,978</b>	<b>157,864,130</b>	<b>71,534,460</b>
Net Assets:					
Invested in capital assets, net of related debt	24,220,590	14,532,880	1,828,000	40,581,470	11,621,024
Restricted for:					
Debt service	--	--	1,409,862	1,409,862	--
Other	723,901	--	--	723,901	--
Unrestricted	17,030,446	(1,381,760)	(861,718)	14,786,968	69,019,941
<b>Total net assets</b>	<b>41,974,937</b>	<b>13,151,120</b>	<b>2,376,144</b>	<b>57,502,201</b>	<b>80,640,965</b>
<b>Total liabilities and net assets</b>	<b>\$ 154,007,025</b>	<b>\$ 17,688,184</b>	<b>\$ 43,671,122</b>	<b>\$ 215,366,331</b>	<b>\$ 152,175,425</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton	Solid	Total	Internal
		Metropolitan Airport	Waste Disposal		Service Funds
Operating Revenues:					
Charges for services	\$ 151,130,339	\$ 751,017	\$ 6,805,021	\$ 158,686,377	\$ 98,959,519
Concessions and rentals	--	1,412,249	8,664,336	10,076,585	--
Other income	18,618,264	37,665	804,888	19,460,817	306,596
Total Operating Revenues	<u>169,748,603</u>	<u>2,200,931</u>	<u>16,274,245</u>	<u>188,223,779</u>	<u>99,266,115</u>
Operating Expenses:					
Salaries and benefits	115,135,701	779,739	6,587,878	122,503,318	3,691,800
Services and supplies	77,446,199	1,395,563	7,720,463	86,562,225	24,265,529
Liability claims and loss adjustment	--	--	--	--	67,846,337
Insurance	--	--	--	--	3,070,195
Landfill closure and postclosure expense	--	--	2,616,353	2,616,353	--
Depreciation	7,081,309	1,489,372	2,763,843	11,334,524	2,888,837
Miscellaneous	--	542	654	1,196	15,504
Total Operating Expenses	<u>199,663,209</u>	<u>3,665,216</u>	<u>19,689,191</u>	<u>223,017,616</u>	<u>101,778,202</u>
Operating Income (Loss)	<u>(29,914,606)</u>	<u>(1,464,285)</u>	<u>(3,414,946)</u>	<u>(34,793,837)</u>	<u>(2,512,087)</u>
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of asset	--	--	--	--	(1,576)
Interest income	957,619	39,435	410,883	1,407,937	3,231,226
Aid from other governmental agencies	--	761,529	213,426	974,955	184,000
Insurance recovery	--	--	--	--	22,655
Interest expense	(4,012,449)	(148,002)	(1,291,049)	(5,451,500)	(287,483)
Total Non-Operating Revenues (Expenses)	<u>(3,054,830)</u>	<u>652,962</u>	<u>(666,740)</u>	<u>(3,068,608)</u>	<u>3,148,822</u>
Net Income (Loss) Before Transfers	(32,969,436)	(811,323)	(4,081,686)	(37,862,445)	636,735
Transfers					
Transfers in	25,300,710	432,228	281,593	26,014,531	528,638
Transfers out	(4,275)	(926)	(2,557)	(7,758)	(2,683)
Change in Net Assets	(7,673,001)	(380,021)	(3,802,650)	(11,855,672)	1,162,690
Net Assets - Beginning of Year	<u>49,647,938</u>	<u>13,531,141</u>	<u>6,178,794</u>	<u>69,357,873</u>	<u>79,478,275</u>
Net Assets - End of Year	<u>\$ 41,974,937</u>	<u>\$ 13,151,120</u>	<u>\$ 2,376,144</u>	<u>\$ 57,502,201</u>	<u>\$ 80,640,965</u>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF SAN JOAQUIN

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton Metropolitan Airport	Solid Waste Disposal	Totals	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 160,003,060	\$ 2,074,732	\$ 16,363,757	\$ 178,441,549	\$ --
Cash payments to suppliers for goods and services	(54,518,317)	(1,263,315)	(7,674,111)	(63,455,743)	(89,592,253)
Cash receipts from other departments for goods and services	--	--	(383,886)	(383,886)	107,647,090
Cash payments to other departments for goods and services	--	(212,497)	--	(212,497)	(4,752,416)
Cash payments to employees for services	(139,295,454)	(753,997)	(6,339,965)	(146,389,416)	(3,573,321)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(33,810,711)</b>	<b>(155,077)</b>	<b>1,965,795</b>	<b>(31,999,993)</b>	<b>9,729,100</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers in (out)	25,296,435	431,302	(2,557)	25,725,180	525,955
State and federal grant receipts	--	--	213,426	213,426	184,000
Loan repayment or borrowing	16,609,780	217,819	--	16,827,599	--
Other non-operating receipts (payments)	459,846	(43,107)	--	416,739	--
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>42,366,061</b>	<b>606,014</b>	<b>210,869</b>	<b>43,182,944</b>	<b>709,955</b>
<b>Cash flows from capital and related financing activities:</b>					
Capital contribution grants	--	761,529	--	761,529	--
Acquisition and construction of capital assets	(2,512,965)	(630,626)	(308,558)	(3,452,149)	(3,515,928)
Insurance recovery	--	--	--	--	22,655
Proceeds from sale of property and equipment	--	(2,738)	--	(2,738)	94,423
Principal payment on debts	(4,925,254)	(4,242)	(2,995,178)	(7,924,674)	(1,088,225)
Interest payment on debts	(4,010,775)	(148,002)	(1,347,294)	(5,506,071)	(290,808)
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b>(11,448,994)</b>	<b>(24,079)</b>	<b>(4,651,030)</b>	<b>(16,124,103)</b>	<b>(4,777,883)</b>
<b>Cash flows from investing activities:</b>					
Interest on investment and note receivable	497,773	45,716	552,407	1,095,896	3,814,757
<b>Net Cash Provided by Investing Activities</b>	<b>497,773</b>	<b>45,716</b>	<b>552,407</b>	<b>1,095,896</b>	<b>3,814,757</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,395,871)</b>	<b>472,574</b>	<b>(1,921,959)</b>	<b>(3,845,256)</b>	<b>9,475,929</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>12,112,029</b>	<b>1,191,616</b>	<b>21,198,141</b>	<b>34,501,786</b>	<b>122,936,080</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 9,716,158</b>	<b>\$ 1,664,190</b>	<b>\$ 19,276,182</b>	<b>\$ 30,656,530</b>	<b>\$ 132,412,009</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Cash Flows (continued)  
 Proprietary Funds  
 For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton Metropolitan Airport	Solid Waste Disposal	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (29,914,606)	\$ (1,464,286)	\$ (3,414,943)	\$ (34,793,835)	\$ (2,512,087)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	7,081,309	1,489,372	2,763,843	11,334,524	2,888,837
(Increase) decrease in receivables	(10,219,340)	(126,198)	89,512	(10,256,026)	455,034
(Increase) decrease in prepaid expenses	(177,563)	--	35,060	(142,503)	(4,821)
(Increase) decrease in inventories	(1,044,043)	--	--	(1,044,043)	(130,836)
Increase (decrease) in payables	(2,523,817)	(76,869)	(42,196)	(2,642,882)	745,799
Increase (decrease) in closure/postclosure liability	--	--	2,343,653	2,343,653	--
Increase (decrease) in OPEB liability	2,539,773	22,904	190,866	2,753,543	109,430
Increase (decrease) in claim liabilities	--	--	--	--	8,177,744
Increase (decrease) in unearned revenues	447,576	--	--	447,576	--
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (33,810,711)</u>	 <u>\$ (155,077)</u>	 <u>\$ 1,965,795</u>	 <u>\$ (31,999,993)</u>	 <u>\$ 9,729,100</u>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF SAN JOAQUIN**

Statement of Fiduciary Net Assets  
Fiduciary Funds  
As of June 30, 2009

	June 30, 2009				December 31, 2008
	Investment Trust Fund	Agency Funds	Private Purpose Trust Funds	Total	Pension Trust Fund
<u>Assets</u>					
Cash and investments - pooled	\$ 850,405,085	\$ 30,096,730	\$ 4,919,083	\$ 885,420,898	\$ 1,298,846
Cash and investments held by others	--	4,615,045	4,170,054	8,785,099	--
Pension trust investments	--	--	--	--	1,628,618,621
Investments sold, funds not received	--	--	--	--	13,139,921
Investment income receivables	2,138,532	1,490,855	15,885	3,645,272	5,940,777
Loans receivable	--	54,000,000	32,699,361	86,699,361	--
Other receivables	23,257,994	27,169,965	647,471	51,075,430	18,236
Pension fund contribution receivable	--	--	--	--	3,831,741
Other assets	--	348,102	--	348,102	75,744
Capital assets, net of depreciation	--	--	--	--	82,827
<b>Total Assets</b>	<b>\$ 875,801,611</b>	<b>\$ 117,720,697</b>	<b>\$ 42,451,854</b>	<b>\$ 1,035,974,162</b>	<b>\$ 1,653,006,713</b>
<u>Liabilities</u>					
Accounts payable	\$ 35,340,479	\$ 47,845,796	\$ 158,083	\$ 83,344,358	\$ --
Accrued liabilities	--	--	--	--	1,799,811
Securities lending-cash collateral	--	--	--	--	79,299,331
Securities purchased but not paid	--	--	--	--	11,739,305
Due to other agencies	--	69,874,901	58,451	69,933,352	--
<b>Total Liabilities</b>	<b>35,340,479</b>	<b>117,720,697</b>	<b>216,534</b>	<b>153,277,710</b>	<b>92,838,447</b>
<u>Net Assets</u>					
Held in trust for:					
Employee pension benefits	--	--	--	--	83,708,791
Employee post-employment health benefits	--	--	--	--	1,476,459,475
Revolving loans	--	--	41,333,954	41,333,954	--
External investment pool participants	840,461,132	--	--	840,461,132	--
Other purposes	--	--	901,366	901,366	--
<b>Total Net Assets</b>	<b>840,461,132</b>	<b>--</b>	<b>42,235,320</b>	<b>882,696,452</b>	<b>1,560,168,266</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 875,801,611</b>	<b>\$ 117,720,697</b>	<b>\$ 42,451,854</b>	<b>\$ 1,035,974,162</b>	<b>\$ 1,653,006,713</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**

Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended

	June 30, 2009			December 31, 2008
	Investment Trust Fund	Private Purpose Trust Funds	Total	Pension Trust Fund
<b>Additions</b>				
Employer's contributions	\$ --	\$ --	\$ --	\$ 98,246,101
Employees' contributions	--	--	--	13,050,906
Contributions from investments pool participants	4,154,161,891	--	4,154,161,891	--
Contributions from other governments	--	3,686,335	3,686,335	--
Interest and investment income/(loss)	22,311,138	569,262	22,880,400	(666,774,282)
Miscellaneous income	--	11,823	11,823	14,156
<b>Total Additions</b>	<u>4,176,473,029</u>	<u>4,267,420</u>	<u>4,180,740,449</u>	<u>(555,463,119)</u>
<b>Deductions</b>				
Benefit payments	--	43,411	43,411	107,747,537
Contribution refund	--	--	--	1,253,610
Withdrawals from pooled investments	4,235,424,445	1,171,474	4,236,595,919	--
Allowance for loan writedowns	--	(55,285)	(55,285)	--
Administration expenses	--	839,266	839,266	3,458,096
<b>Total Deductions</b>	<u>4,235,424,445</u>	<u>1,998,866</u>	<u>4,237,423,311</u>	<u>112,459,243</u>
<b>Change in net assets</b>	(58,951,416)	2,268,554	(56,682,862)	(667,922,362)
Net assets - beginning	<u>899,412,548</u>	<u>39,966,766</u>	<u>939,379,314</u>	<u>2,228,090,628</u>
<b>Net assets - ending</b>	<u>\$ 840,461,132</u>	<u>\$ 42,235,320</u>	<u>\$ 882,696,452</u>	<u>\$ 1,560,168,266</u>

The accompanying notes are an integral part of these financial statements.

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**BASIC FINANCIAL STATEMENTS**  
**Notes to Financial Statements**

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# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

### Note 1: Summary of Significant Accounting Policies

#### A. Reporting Entity

The reporting entity refers to the scope of activities, organizations and functions included in the financial statements. The County of San Joaquin (County) is a political subdivision created by the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The County operates under the general laws of the State and is governed by an elected five member Board of Supervisors (Board).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from County government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of San Joaquin, Auditor-Controller's Office, 44 N. San Joaquin St., Fifth Floor, Suite 550, Stockton, California 95202.

#### ***Blended Components***

Special Districts Governed by the Board of Supervisors. The special service districts governed by the Board are established for the purposes of providing special services to various County areas. However, the outstanding special assessment debts and the debt service of these special districts governed by the Board are excluded from these financial statements in accordance with GASB Statement No. 6, described below. The special districts do not issue separate financial statements.

The special service districts governed by the Board include a flood control district, 2 water and power authorities, a water works district, 30 lighting districts, 28 maintenance districts, 40 county service areas and 5 improvement districts as follows:

San Joaquin County Flood Control  
Mokelumne River Water and Power Authority  
Northeastern San Joaquin County Groundwater Banking Authority  
San Joaquin Water Works #2

#### Lighting District

Ash Street  
Boggs Tract  
Burkett Gardens  
Burkett Gardens Acres  
Eastview  
Elkhorn  
Farmington

#### Maintenance District

Acampo  
Almond Park  
Ashley Drainage  
Bear Creek Terrace  
Bowling Green Estates  
Colonial Heights  
Corral Hollow

#### County Service Areas

Number 1  
Number 2  
Number 3  
Number 3A  
Number 4  
Number 5  
Number 8

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

***Blended Components*** (continued)

Special Districts Governed by the Board of Supervisors (continued)

<u>Lighting District</u>	<u>Maintenance District</u>	<u>County Service Areas</u>
Linden	Country Club Vista	Number 11
Lockeford	Elkhorn Golf Course Estates	Number 12
Mariposa Heights	Gala Manor	Number 14
Mission Village	Lambert Village	Number 15
Morada Estates	Lincoln Village	Number 16
Morada Manor	Lockeford	Number 17
North Oaks	Maurland Manor	Number 18
North Wilson Way	Mokelumne Acres	Number 21
Northeast Stockton	Morada Acres	Number 23
Oro Street	Morada Estates	Number 24
Plymouth Village	Morada Manor	Number 25
Rancho Village	Pacific Gardens	Number 29
Shasta Avenue	Rancho San Joaquin	Number 30
Shippee – French Camp Homesite	Raymus Village	Number 31
Silva Gardens	Riviera Cliffs	Number 35
South French Camp	Shaded Terrace	Number 36
Southwest Stockton	Spring Creek Estates	Number 37
Stockton No. 5	Summer Home Estates	Number 41
Tuxedo – Country Club	Sunnyside Estates	Number 42
Victor	Walnut Acres	Number 43
West Lane	Wilkinson Manor	Number 44
West Stockton		Number 45
Woodbridge		Number 46
		Number 47
		Number 48
		Number 49
		Number 50
		Number 51
		Number 52
		Number 53
		Number 54
		Number 55
		Number 56

Improvement Districts

San Joaquin Improvement #47  
San Joaquin Improvement #51  
San Joaquin Improvement #52  
San Joaquin Improvement #54  
Industrial Way & Beckman Road

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

***Blended Components*** (continued)

Special Districts Governed by the Board of Supervisors (continued)

The Mountain House Community Services District (CSD) was formed in July 1996 as a dependent special district of the County. It provides a wide range of municipal services, such as police and fire protection, water, wastewater and storm services, the construction and maintenance of highways, streets, and other infrastructure, and recreational and cultural activities, as well as services to the developers. As of December 5, 2008, CSD became an independent community service district.

As a result of becoming an independent district, the net assets and fund balances of the district's funds have been removed as of July 1, 2008, resulting in the following adjustments:

	Net Assets		Fund Balance
	Governmental Activities	Business-Type Activities	Other Governmental
Net Assets/Fund Balance, as originally reported, July 1, 2008	\$ 968,987,409	\$ 45,782,795	\$ 171,186,652
Adjustments for effect of changes in reporting entity: MHCSD and related funds	(78,251,534)	23,575,078	(9,431,815)
Net Assets/Fund Balance, as adjusted for change in reporting entity, July 1, 2008	\$ 890,735,875	\$ 69,357,873	\$ 161,754,837

Each district was created to provide services to the residents of certain areas or to undertake a capital improvement project, including the providing or arranging of financing and collecting the assessments to pay any debt incurred to finance the project.

The accounting principles established for reporting transactions of special districts are as follows:

- (1) Governmental Accounting Standards Board (GASB) Statement No. 6 requires transactions of service-type special districts and of the construction phase related to capital improvements financed by special assessment to be reported within the general, special revenue or capital projects funds, as appropriate. Revenues and expenditures are recognized on the same basis of accounting as described in Note 1-C. Any capital assets constructed or acquired, other than infrastructure, are reported in the government-wide financial statements on the same accounting principles as described in Note 1.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

***Blended Components*** (continued)

Special Districts Governed by the Board of Supervisors (continued)

- (2) With the exception of Shaded Terrace Maintenance District and Sunnyside Estate Maintenance District, all special assessment debts were incurred under the provisions of the Improvement Bond Acts of 1911 and 1915, under which the County is not obligated in any manner for special assessment debts; the County acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings as appropriate. Transactions affecting debt service are reported in the agency fund and the outstanding assessment debt approximating \$703,818 as of June 30, 2009 is not presented in the financial statements. The maintenance districts of Shaded Terrace and Sunnyside Estate obtained, each, a loan from the United States Department of Agriculture to finance certain capital improvements to their water systems. As required by the loan agreement, the Districts established a debt service fund to accumulate funds for loan repayment purposes. These loans are reported in the County's Statement of Net Assets and the related debt service is also included in the Debt Service Fund.

The San Joaquin General Hospital (the Hospital), organized as an enterprise fund of the County of San Joaquin on July 1, 1975, owns and operates a licensed general acute care hospital within the County. The Hospital provides a full range of acute and intensive care medical service to both inpatients and outpatients. The Hospital is an integral part of the County of San Joaquin reporting entity. The financial statements are available through the Auditor-Controller's office.

The First Five San Joaquin County (previously, the Children and Families Commission) was established under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the agency. The Board can remove appointed members at will. The agency is blended within the County's special revenue fund and reported as a major fund for the fiscal year 2008-09. The financial statements are available through the Auditor-Controller's office.

The In-Home Supportive Services (IHSS) Public Authority maintains a registry and referral system to assist consumers in finding qualified in-home supportive services personnel as well as training of and support for providers and recipients of IHSS. The IHSS Authority is primarily funded by state grants. The County's Board is the governing body for the IHSS Public Authority. Therefore, this entity has been blended with the primary government. The financial statements are available through the Auditor-Controller's office.

The San Joaquin County Employees' Retirement System (SJCERS) is governed by the Board of Retirement. The Board consists of nine regular members and one alternate. Four are elected by participating members, four are appointed by the Board of Supervisors and one is the County Treasurer. Although it is legally separated from the County, the SJCERS is reported as if it were part of the primary government because the sole purpose of the SJCERS is to provide retirement benefits to the employees of the County and certain participating special districts. The SJCERS is reported as a fiduciary fund in the financial statements. The System uses the calendar year as its fiscal year; therefore, the financial information related to the Pension Fund represents the year ended December 31, 2008. The financial statements of the Pension Fund are available through SJCERS (see Note 14).

The San Joaquin County Public Facilities Financing Corporation is included as part of the primary government. The sole purpose of the Corporation is to finance for the benefit of the County the acquisition and construction of the County's major capital projects, as described in Note 11 – B. The Corporation has assigned and transferred, without recourse, to the US Bank Trust Corporation for the benefit of the owners of the certificates each and all of its rights under the Site Lease and the Project Lease. With the exception of bonds issued for the North County Landfill Project, the Solid Waste System Project and the San Joaquin General Hospital Expansion

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

***Blended Components*** (continued)

**Special Districts Governed by the Board of Supervisors** (continued)

Project, debt service and outstanding debts and the related capital projects are reported in the government-wide financial statements. The bonds issued for the North County Landfill Project, the Solid Waste System Project and the General Hospital Project and the related construction are reported in the Solid Waste Disposal Enterprise Fund and General Hospital Enterprise Fund, as applicable. The Corporation's financial statements are available through the County Administrator's Office.

***Discretely Presented Component Units***

The component units' column in the basic financial statements includes the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The County has chosen to report all of the discretely presented component units as major component units.

- Head Start Child Development Council, Inc., a nonprofit corporation, provides Head Start pre-school services to low-income families in San Joaquin County. The Council annually receives significant federal grants for providing Head Start services as a subrecipient through the County.
- San Joaquin County Economic Development Association, a nonprofit corporation, promotes, publicizes, encourages and coordinates economic development of San Joaquin County. The Association is governed by a five-member board appointed by the Board of Supervisors and is operationally funded solely by the County.
- Local Agency Formation Commission, established pursuant to Government Code Section 56000, is governed by five commissioners. It approves or disapproves any application proposing annexation or detachment of territory to or from a city or special district. It also develops and determines Spheres of Influence which are projected future service areas of local governmental agencies.
- Health Plan of San Joaquin, created by the Board of Supervisors in 1995, provides medical care and health services to Medi-Cal recipients and other groups of persons pursuant to various statutes specified in the Welfare and Institutions Code.

Separate financial statements of these individual component units have been issued and are available from their respective administration office or the County Auditor-Controller's office. Condensed financial data is presented in Note 16.

***Related Organizations***

The County's Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments; therefore, these organizations are not included in these financial statements. These organizations are Tracy Public Cemetery District, Escalon Cemetery District, San Joaquin Regional Transit District, New Mariposa Drainage District, San Joaquin County Housing Authority, and Colledgeville Fire District.



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### A. **Reporting Entity** (continued)

#### ***Joint Powers Agreement***

The County has seven Joint Powers Agreements (JPA).

- (1) San Joaquin Valleywide Air Pollution Study Agency was formed by the County and other counties in 1990 for the purpose of designing, planning, programming and implementing an ozone and air pollution study in the geographical territory encompassed by the member counties.
- (2) San Joaquin Area Flood Control Agency was formed by the County and the City of Stockton in 1995 to study, plan for, develop, finance, acquire, construct, maintain, repair, manage, operate and control water control works and facilities for the protection of the public.
- (3) San Joaquin Regional Rail Commission was formed by the County, certain incorporated cities within the County, and the Council of Governments in 1995 to resolve issues relating to the rail passenger services and facilities for the purpose of transporting passengers within and outside their respective boundaries.
- (4) Mokelumne River Water and Power Authority was formed by the County and San Joaquin County Flood Control and Water Conservation District in 1990 to finance the acquisition and construction of a dam, reservoir, generating facilities and conveyance facilities in order to benefit the County and the San Joaquin County Flood Control and Water Conservation District.
- (5) Northern San Joaquin County Groundwater Banking Authority (previously, East San Joaquin Parties Water Authority) was formed by the County, the San Joaquin County Flood Control and Water Conservation District, cities and other water conservation and irrigation districts in 1996. This JPA was formed to plan, along with other public entities, projects to meet the water deficiencies of Eastern San Joaquin County.
- (6) Altamont Commuter Express (ACE) was formed in 1997 by the San Joaquin Regional Rail Commission, a joint powers agency to which the County is a member, the Alameda County Congestion Management Agency and the Santa Clara County Transit District. ACE is formed to combine the parties' efforts to achieve a viable commuter rail service link over the existing rail line between the cities of the County and San Jose to improve air quality and reduce crippling congestion within the interstate highways.
- (7) Council of Governments was formed by the County and incorporated cities within the County in 1983 to manage the area-wide issues requiring multi-jurisdictional cooperation.

With the exception of the responsibilities borne by the participating parties during the JPA start-up period, the County does not retain any on-going financial interest or responsibility in these JPAs, except Mokelumne River Power Authority and Northern San Joaquin County Groundwater Banking Authority, which are either controlled by the Board of Supervisors or fully funded by a County controlled district and therefore blended with the County's financial statements.

#### ***Non-Related Organizations***

The school districts and special districts governed by local boards are independent and are not in any way related to the County and, therefore, are not included in these financial statements.

The Lodi Grape Festival and Harvest Fair (Festival) operates fairground facilities located in Lodi, California. It conducts the annual Lodi Grape Festival and the annual Harvest Fair. Although the County has the responsibility to provide certain capital assets and improvements to the Festival, the State Department of Food and Agriculture, through its Division of Fairs and Expositions, supervises and provides funding for the activities of the Festival. Therefore, it is not a component unit of the County.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

*Non-Related Organizations* (continued)

The San Joaquin County Historical Society (Society), in addition to activities customarily associated with a historical society, operates the San Joaquin County Historical Museum for the County. The County provides the Society funds to cover the Museum operating expenses. Since there is no fiscal dependency or financial burden to the County, it is not a component unit of the County.

B. **Basis of Financial Presentation**

The Governmental Accounting Standards Board (GASB) recently released several new accounting and financial reporting standards. The following new standards may have a significant impact on the County's financial reporting process.

**GASB Statement No. 51**, *Accounting and Financial Reporting for Intangible Assets*, is effective in financial statements for the year ending June 30, 2010. It establishes accounting and financial reporting requirements for intangible assets to reduce various inconsistencies that are currently applied by various governmental entities. The County will not be early implementing GASB Statement No. 51.

**GASB Statement No. 52**, *Land and Other Real Estate Held as Investment by Endowments*, is effective in financial statements for the year ending June 30, 2009. It requires endowments held as investments to be reported at fair value instead of historical cost. The County does not currently have any endowments.

**GASB Statement No. 53**, *Accounting and Financial Reporting for Derivative Instruments*, is effective in financial statements for the year ending June 30, 2010. It establishes accounting and financial reporting requirements for derivative instruments to enhance the usefulness and comparability of derivative instrument information reported by state and local governments. The County will not be early implementing GASB Statement No. 53 and currently has no derivative instruments.

**GASB Statement No. 54**, *Fund Balance Reporting and Governmental Fund Type Definitions*, is effective in financial statements for the year ending June 30, 2011. It redefines the governmental fund types and the fund balance reporting to improve the usefulness, including the understandability, of governmental fund balance information and to make a government's fund balance more transparent. The County will not be early implementing GASB Statement No. 54.

**GASB Statement No. 55**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*, is effective upon issuance. It identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with generally accepted accounting principles. The County has implemented GASB Statement No. 55.

**GASB Statement No. 56**, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, is effective upon issuance. It incorporates that guidance, specifically related party transactions, subsequent events, and going concern considerations into the state and local governmental accounting and financial reporting standards. The County has implemented GASB Statement No. 56.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Financial Presentation** (continued)

***Government-wide Financial Statements***

Information relating to the primary government (the County) and its components is displayed in the statement of net assets and statement of activities. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by fees charged to external parties.

The statement of activities presents a comparison between direct and indirect expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or a function and; therefore, are clearly identifiable to a particular function. Indirect expenses are those that are allocated to a program or a function from the County's centralized general service function based on the cost allocation principles established by the Federal Office of Management and Budget (OMB). Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, 2) fines and penalties ordered by the courts, 3) licenses and permits charged by the programs, and 4) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, it is County policy to use restricted net assets first, and then use the unrestricted resources as they are needed.

***Fund Financial Statements***

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The County is required to report the Capital Outlay Fund, the General Hospital, and the Solid Waste Disposal as major funds. Although not required to be reported as major funds, the County has also chosen to report the Mental Health Substance Abuse Fund, the First Five Program, and the Stockton Metropolitan Airport fund as major funds for consistency reasons. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Proprietary fund operating expenses, such as salaries and benefits or services and supplies, result from providing services and producing and delivering goods related to the proprietary fund's primary operations. Expenses that are not directly related to the proprietary fund's primary operations are reported as non-operating expenses.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Financial Presentation** (continued)

*Fund Financial Statements* (continued)

The County reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources and transactions except those required to be accounted for in another fund. It includes certain special accounts that are under the control of various general fund departments and those that are used to accumulate resources for designated purposes.
- Mental Health and Substance Abuse Service Fund – The Mental Health and Substance Abuse Service Fund is used to account for the proceeds of specific sources with its expenditures legally restricted for mental health and substance abuse services.
- First Five Program – The Children and Families Program Fund is used to account for the funding provided through excise taxes collected by the State on tobacco products following voter approval of the Children and Families Act of 1998 (Prop. 10). The purpose of the program is to promote, support, and improve the early development of children from the prenatal stage to five years of age. Monies are expended in accordance with a strategic plan prepared by the San Joaquin County Children and Families Commission.
- County Capital Outlay Fund – The County Capital Outlay Fund is used to account for financial resources to be used for the major maintenance, acquisition and/or construction of major capital facilities, other than those financed by business-type funds.

The County reports all of its enterprise funds as major funds:

- The San Joaquin County General Hospital Fund (the Hospital) accounts for hospital operations involved in providing health services to County residents. Revenues are primarily fees for patient services, payments from Federal and State programs such as Medicare, Med-Cal, realignment revenues and subsidies from the general fund.
- The San Joaquin County Airport Enterprise Fund (the Airport) accounts for commercial, corporate business, and general aviation activities of the County. Revenues are primarily landing fees, rental and concessionary fees generated from the Airport owned facilities, capital grants from the Federal Aviation Administration and unsecured property taxes within the Airport's boundaries.
- The San Joaquin County Solid Waste Enterprise Fund accounts for the County's solid waste transfer and disposal activities, acquisition, design, development, and closure and postclosure maintenance of landfill sites, refuse collection franchise management, and other recycling programs. Revenues are primarily the gate fees and franchises.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Financial Presentation** (continued)

*Fund Financial Statements* (continued)

The County reports the following additional fund types:

- Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies of the County on a cost recovery basis. These services include the County’s fleet maintenance, telephone and radio communications, office automation, and centrally managed insurance programs – workers compensation, employee medical, dental, and unemployment benefits, and casualty liabilities.
- The Pension Trust Fund –This is used to account for the County Retirement System assets and changes in net assets. The Retirement System is a separate entity and its financial operations are controlled by the Board of Retirement. The financial statements of the Retirement System are included as a part of the primary government. The post-retirement health benefit plan is also included in the Pension Trust Fund, as it is managed by the County’s Retirement System.
- Investment Trust Fund – This is used to account for the assets of legally separate entities who participate in the County Treasurer’s investment pool. This fund represents the assets, primarily cash and investments, and the related net assets/fund balance for investment pool participants, such as schools, local fire districts, the San Joaquin County Superior Court, reclamation districts, etc.
- Private-purpose Trust Funds – These funds are used to account for the assets held for a minor pursuant to a liability claim settlement, and revolving loan funds that are funded by the Federal Community Development Block Grant, Home Loan Program, and Economic Development Administration for the benefit of the community as a whole, rather than for the benefit of the County.
- Agency Funds – These funds are used to account for the assets and the related liabilities of clearing accounts, such as payroll withholdings, estate accounts, assets forfeiture accounts, court ordered deposits, and various entities other than those accounted for in the Investment Trust Fund.

**C. Basis of Accounting**

The government-wide, proprietary, pension, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) values without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, property tax revenues are recognized in the fiscal year for which the taxes are levied. Sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### C. **Basis of Accounting** (continued)

Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The County has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are recorded when the related liability is incurred except the unmatured interest on long-term debt, and expenses related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources. Revenues are recorded when they are both measurable and available to finance expenditures during the fiscal period. Property and sales taxes, interest, state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Revenues earned but not received within sixty days after the end of the accounting period, on the other hand, are recorded as receivables and deferred revenues, in accordance with GASB 34.

The financial statements of the component units are maintained on the following basis of accounting:

- San Joaquin County Economic Development Association: accrual accounting basis.
- Head Start Child Development Council, Inc.: modified accrual accounting basis plus accrual of encumbered expenses.
- Local Agency Formation Commission: modified accrual accounting basis.
- Health Plan of San Joaquin: accrual accounting basis.

### D. **Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers.

- Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation and are referred to as either “due to/due from other funds” (the short-term interfund loans) or “advance to/from other funds” (the long-term interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, are reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided, deemed to be at market or near market rate and are the core business of the function, are treated as revenues or expenditures/expenses in the funds involved. The related accounts payable and accounts receivable are eliminated upon consolidation and are referred to as “due to/due from other funds” on the fund statements.
- Reimbursement transactions are treated as reductions of expenditures/expenses in one fund and corresponding increases in the other fund.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

**D. Interfund Transactions** (continued)

- Operating/Capital transfers are reported as recorded as “transfers in” or “transfers out” in the other financing sources and netted as part of the reconciliation to the government-wide presentation.

**E. Cash and Investments**

Cash and investments consist of cash held in the bank or on hand and debt and equity securities. All investment securities, such as certificates of deposit, bankers’ acceptances, commercial paper, repurchase agreements, and U.S. Treasury notes, stocks, bonds, etc. are stated at fair value in accordance with GASB Statement 31. The fair value of investments are obtained by using quotations obtained from independent published sources. The commingled funds are valued based on the fair value of the commingled trust’s underlying assets. Interest earnings on the County Treasurer’s investment pool are distributed to all participating funds based on their average daily cash balance within the pool.

**F. Inventory and Prepaid Expenses**

Inventory of materials and supplies in the enterprise funds, internal service funds, Sheriff’s Commissary Store (a General Fund account), Mental Health & Substance Abuse Fund (a major governmental fund), and Road Fund (a nonmajor governmental fund) are stated at cost as determined by the first-in, first-out method. Materials and supplies purchased by other funds are for current consumption and are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

**G. Capital Assets**

Capital assets (including infrastructure) are recorded at historical costs or at estimated historical cost if actual historical cost is not available. Infrastructures acquired prior to June 30, 1980 are not recorded. The County defines capital assets as assets with an initial, individual cost of more than \$1,000 for equipment/furniture and \$5,000 for structures and improvements, and an estimated useful life in excess of one year.

Capital assets acquired by the governmental funds are accounted for as expenditures of those funds and capitalized and recorded as assets in the government-wide financial statements. Assets constructed through the issuance of Certificates of Participation are capitalized. Material interest and incidental expenses, net of interest revenue earned on proceeds of Certificates of Participation during the construction period, have been capitalized. Major equipment acquired through long-term lease purchase arrangements is capitalized and reported as assets in the government-wide statement of net assets.

Contributed fixed assets are valued at their estimated fair market value on the date contributed. Contributed capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including pavements in progress, bridges and right of way.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### G. **Capital Assets** (continued)

Depreciable capital assets of the enterprise funds and internal service funds are depreciated using the straight-line method over estimated useful lives of 10 to 60 years for structures and improvements and 2 to 20 years for equipment, furniture and fixtures.

Capital assets used in operations of the governmental funds are depreciated on the government-wide financial statements only, using the straight-line method over estimated lives of 10 to 50 years for structure and improvements and 2 to 5 years for equipment, furniture, and fixtures. Infrastructure (i.e., roads, bridges, water/sewer, drainage system, flood control, etc.) is depreciated using a composite method to depreciate the infrastructure acquired after June 30, 1980 over an estimated weighted average life of 25 years.

### H. **Capital Lease Obligations**

Capital leases consist of lease-purchase obligations stated at the present value of future minimum lease payments.

### I. **Property Taxes**

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. The County is responsible for the assessment, collection and apportionment of property taxes for all jurisdictions including schools and special districts within the County.

Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions. The total 2008-09 net assessed valuation of the County real property was \$58.5 billion.

The property tax levy to support general operations of the various jurisdictions is limited to 1% of full cash value and is distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are separately calculated and levied each fiscal year. The rates are formally adopted by the Board after approval of city councils or the governing boards of special districts where applicable. Property taxes are levied on both real and personal property.

Secured property tax payments are levied in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property with unpaid taxes incurs a lien on January 1 preceding the fiscal year for which taxes are levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31.

In 1983, the Governor signed Senate Bill 813 which requires county assessors to appraise property and issue an assessment when new construction is completed or a change in ownership occurs. The supplemental assessment will reflect the change in value for the remainder of the property tax year. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill.

The County's Property taxes are accounted for in the property tax collection fund (tax resource fund) until apportionments are made and funds are disbursed to taxing jurisdictions. The fund carried a deficit cash balance of approximately \$36.3 million as of June 30, 2009.



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### I. **Property Taxes** (continued)

Since fiscal year 1993-94, the County has opted into the alternative tax apportionment method, commonly known as the Teeter Plan. Under this method, the County, along with all other taxing agencies, has been paid 100% of the current secured taxes levied for each year. The fund balance (deficit) of the tax resource fund is consolidated with the General Fund at year-end. To finance the 100% distribution, the County has been choosing the interfund borrowing method every year since 1993-94 and reports the borrowing as the liability of the County General Fund.

The County maintains a balance of 2.5% (the legally required minimum balance is 1%) of the annual taxes levied on properties participating in the Teeter Plan in a Tax Loss Reserve Fund. The balance was approximately \$16.1 million at June 30, 2009. Penalties and interest collected on delinquent secured taxes are kept in the Tax Resource Fund.

Taxes, including unsecured property taxes, earned but not collected within 60 days after June 30, 2009 is recorded as taxes receivable (approximate \$94.4 million) and is offset by a deferred revenue liability of \$86.8 million on the fund statements. The changes in deferred revenues between prior fiscal year and the current fiscal year, however, are recognized as revenues on the government-wide financial statements. The net taxes receivable was \$78.3 million, net of the estimated uncollectible amount of \$16.1 million.

### J. **Compensated Absences**

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from County employment. In accordance with the Memorandum of Understanding (MOU) between the County and the employees' unions, the County is only obligated to pay for unused sick leave up to a certain percentage at the time of eligible employees' retirement. Upon retirement, the County converts the non-cash pay out portion to a sick-leave bank to provide the post retirement medical or dental premium coverage for eligible employees.

The County accrues as current liabilities the compensated vacation and other leave benefits that are attributable to employees' services already rendered but not yet paid. A portion of the cash payout of the unused sick leave upon retirement, based on the past three years' experience, is also accrued as current liabilities.

### K. **Bond Issuance Costs and Discounts**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund statement of net assets. Bond discounts and premiums are amortized over the life of the bonds in the same manner as interest expense. Issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount or premium. Bond issuance costs are reported as deferred charges in the asset section, net of accumulated amortization.

In the fund financial statements, government fund types recognize bond discounts, as well as bond issuance costs, during the period paid. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### L. **Cash and Cash Equivalents**

For purposes of the statements of cash flows of the proprietary funds, cash and cash equivalents are defined as cash pools managed by the County Treasurer and any other short-term, highly liquid investments that are both a) readily convertible to known amounts of cash and b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Changes in fair value of investments are reported as cash flow from investing activities as they meet the definition of cash equivalents.

### M. **Management Estimates**

In preparing basic financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

### N. **Postemployment Health Benefits**

The County does not provide employees any Other Post Employment Benefits (OPEB) other than the postemployment health benefits under the "sick leave bank" program, as described below. The sick leave bank program is administered by the County's Retirement System (see Note 14 – Employee Retirement Systems for more information).

In accordance with GASB Statement No. 43 and No. 45, however, the County has an implicit subsidy liability as the County allows any member or beneficiary receiving a pension benefit to purchase post-retirement health insurance under one of the County's sponsored plans. In some cases, the purchase of this insurance can result in an implicit subsidy payable by the County.

**Sick Leave Bank Benefit:** The County provides full time employees with 12 days of paid sick leave per year. Unused sick leave is allowed to accumulate. As a result of the settlement of a lawsuit, as explained later, for those regular employees who were hired on or before August 26, 2001 and meet certain requirements, their accumulated unused sick leave, net of their cash-out portion, upon retirement is converted to a sick leave bank at a rate of \$27.65 per hour, which is used to pay their postemployment health insurance costs. However, the sick leave bank benefits are not vested in any way and are of a use-or-lose plan. Employees hired after that specified date are not eligible for sick leave cash payout or the sick leave bank benefits. The actuarial accrued liability was \$41.2 million with \$13.1 million of the actuarial value of the assets in the sick leave bank account at December 31, 2008. The County has committed to provide the annual required contribution (ARC) since fiscal year 2007-08.

At December 31, 2008, the total number of the eligible members was comprised of 3,187 active members and 878 retired members.

**Implicit Subsidy Benefit:** The County allows any member or beneficiary receiving a pension benefits to purchase post-retirement health insurance under the County sponsored plans and this results in an implicit subsidy payable by the County. Currently, the County pays for these benefits on a pay-as-you-go basis, as opposed to the pre-funded approach that is used in the pension and sick leave bank programs. The County has contributed \$3.6 million toward this implicit subsidy for year 2008-09.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### O. Hospital and Other Program Revenues

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Gross patient services revenue for year 2008-09 was \$384.4 million, the estimated adjustment was \$292.0 million for a net patient service revenue of \$92.4 million. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

- Medi-Cal and Medicare Programs – A substantial portion of Hospital revenues is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Medi-Cal inpatient services are reimbursed at a contractually agreed upon per-diem rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups. Certain other services to Medicare beneficiaries are reimbursed based on cost, subject to certain limitations.
- SB1100 – Medi-Cal Hospital Waiver.

In September 2005, the California legislature passed SB1100. It puts in place the negotiated payment method (California's Medi-Cal Hospital Waiver) between the State of California and the federal government. The Medicaid Waiver (Waiver) is a financing agreement that changed how the State draws down federal matching funds to support public hospitals. It replaced a 15-year old system – SB855 and SB1255 that governed hospital fee-for-service (FFS) and disproportionate Share Hospital (DSH) payments. Under the new Waiver, the non-federal share used to draw the federal funds is a combination of certified public expenditures (CPEs) and intergovernmental transfers (IGTs).

The Medi-Cal Waiver assigns each affected hospital a baseline payment amount (amounts paid in 2004-2005 fiscal year) and establishes a method for distributing additional Waiver funds, referred to as stabilization funds, among the hospitals. The aggregate baseline funding for the 22 public hospitals is estimated at \$2.697 billion and stabilization funding is estimated at \$442.1 million as of June 30, 2009. San Joaquin General Hospital's FY 2009 baseline amount is estimated at \$65.1 million with stabilization funds estimated at \$9.6 million at June 30, 2009.

Note 2: **Cash and Investments**

With the exception of the Pension Fund, Revolving Loan Fund Trusts, and restricted Certificates of Participation proceeds, the San Joaquin County Treasurer-Tax Collector pools cash from various funds for investment purposes. The investment pool includes both voluntary and involuntary participation from external entities. Interest earned on investments is credited to individual funds based on their average daily cash balances and current year secured tax charges and direct assessments where applicable. The Pension Fund, Revolving Loan Fund Trusts, and restricted Certificates of Participation proceeds are invested and managed separately from the pooled cash and investments.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

As of June 30, 2009, the County's cash, deposits and investments were as follows:

(in \$000's)	Investment Pool	Special Funds and Investments	Pension Fund	Other	Totals
Deposits with financial institutions	\$ 50,608	\$ 19,436	\$ 163,626	\$ 4,452	\$ 238,122
Outstanding warrants	(127,743)	--	--	--	(127,743)
Investments	1,456,010	14,413	1,464,993	--	2,935,416
	<u>\$ 1,378,875</u>	<u>\$ 33,849</u>	<u>\$ 1,628,619</u>	<u>\$ 4,452</u>	<u>\$ 3,045,795</u>

Total cash and investments were presented on the County's financial statements as follows:

(in \$000's)	Unrestricted	Restricted	Total
Primary government	\$ 465,673	\$ 28,750	\$ 494,423
Investment trust fund	850,405	--	850,405
Private purpose trust funds	9,089	--	9,089
Agency fund	34,712	--	34,712
Pension fund	1,629,917	--	1,629,917
Discretely presented component units	27,249	--	27,249
	<u>\$ 3,017,045</u>	<u>\$ 28,750</u>	<u>\$ 3,045,795</u>

### **Investment Pool**

The San Joaquin County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code, and the San Joaquin County Treasurer's Investment Policy. The California statutes and the County's investment policy authorize the County to invest in obligations of the U.S. Treasury, certain Federal agencies, bankers acceptances, "prime" commercial paper, certificates of deposit, swaps and trades, State Treasurer's Local Agency Investment fund and repurchase agreements. All of the County Treasurer's investments are of a mid-term and short-term nature. California State Government Code provides for the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

Of the total cash, deposits, and investments in the investment pool, \$1.0 million was restricted for capital projects of the Solid Waste Enterprise Fund in accordance with the official statement of the 2003 Certificates of Participation.

### **Deposits**

At year-end, the carrying amount of the County's cash on hand and authorized deposits at various financial institutions was \$65.9 million. Of the total deposits, \$64.8 million was uninsured but secured by the pledging banks and, therefore, was exposed to custodial credit risk. The custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Statutes and County investment policy allow the pool deposits to be covered by federal depository insurance or by a multiple financial institution collateral pool, which is maintained at a minimum of 110% of the uninsured deposits with the pledging institution's agent in the institution's name. The County has made no exceptions to this requirement during the current year.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Investments**

As of June 30, 2009, the County had the following pool investments.

(In \$000's)	<u>Fair Value</u>	<u>Weighted Average Maturities (in days)</u>	<u>Fair Value as % of the Pool Investments</u>	<u>Credit Rating S&amp;P/MIS</u>
Commercial papers	\$ 54,987	15	3.8%	A-1/P-1
Federal Home Loan Bank	965,012	128	66.3%	AAA/not rated
Federal National Mortgage Association	227,594	255	15.6%	AAA/Aaa
Federal Home Loan Mortgage Corporation	140,179	665	9.6%	AAA/Aaa
Medium Term Notes	28,238	98	1.9%	A-1/P-1
State Local Agency Investment Fund (LAIF)	40,000	1	2.8%	Not rated
Total	<u>\$ 1,456,010</u>	<u>191</u>	<u>100.00%</u>	

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County investment policy, the County Treasurer manages the exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to three years or less. As of June 30, 2009, the weighted average maturity of the pool investments was 191 days.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. California statutes and the County’s Investment Policy limit the County investments to obligations of the U.S. Treasury, certain Federal agencies, bankers’ acceptances, “prime” commercial paper, certificates of deposit, swaps and trades, State Treasurer’s Local Agency Investment Fund and repurchase agreements. Credit ratings as of June 30, 2009, of the pool investments is presented above.

*Concentration of Credit Risk* – Concentration of credit risk is the loss risk attributed to the magnitude of a government’s investment in a single issuer. The County’s investment policy places certain maximum percentage limitations of investments by investment type and the Treasurer has adhered to this policy with no exception. As of June 30, 2009, the County’s investments by investment type as the percentage of the pool investments are shown above.

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment funds that represent 5 percent or more of pooled investments are as follows at June 30, 2009 (in \$000’s):

<u>Issuer</u>	<u>Amount</u>	<u>Percent of Investments</u>
Federal Home Loan Bank	\$ 965,012	66.28%
Federal National Mortgage Association	227,594	15.63%
Federal Home Loan Mortgage Corporation	140,179	9.63%

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Investments** (continued)

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the County’s pooled investments were exposed to custodial credit risk during the fiscal year because all securities were held by the County’s safekeeping agent in the County’s name.

*Local Agency Investment Fund (LAIF)* – It is an investment pool managed by the California Department of Treasury. The County’s total investment in the LAIF at June 30, 2009, was \$40 million which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis.

This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The total amount invested by all public agencies in PMIA on that day was \$50.7 billion. Of that amount, 13.23% was invested in structured notes and asset-backed securities with the remaining 86.77% invested in other non-derivative financial products.

**Statement of Net Assets**

The following represents condensed statements of net assets and changes in net assets for the Treasurer’s investment pool as of June 30, 2009. The cash and investments of the Revolving Loan Funds and the deposits with other banks are not included in this statement, as they are managed and invested by a trustee bank. All dollars are in thousands.

Statement of Net Assets (in \$000's)	Internal Investment Pool	External Investment Pool	Total
<b>Assets:</b>			
Cash and investments**	\$ 528,470	\$ 850,405	\$ 1,378,875
Investment income receivable	2,600	2,139	4,739
Pool participants fund deposit receivable	289,716	18,884	308,600
	820,786	871,428	1,692,214
<b>Liabilities</b>	<b>258,539</b>	<b>34,986</b>	<b>293,525</b>
<b>Net Assets</b>	<b>\$ 562,247</b>	<b>\$ 836,442</b>	<b>\$ 1,398,689</b>

\*\* Not including the cash and investments of the Revolving Loan Fund and the deposits with other banks that were managed by the trustee banks.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

Investments (continued)

Statement of Net Assets (continued)

<u>Statement of Changes in Net Assets (in \$000's)</u>	<u>Internal Investment Pool</u>	<u>External Investment Pool</u>	<u>Total</u>
<b>Additions:</b>			
Contributions	\$ 3,673,741	\$ 4,139,610	\$ 7,813,351
Investment income	13,001	22,412	35,413
Total Additions	<u>3,686,742</u>	<u>4,162,022</u>	<u>7,848,764</u>
<b>Deductions:</b>			
Distributions	<u>3,680,179</u>	<u>4,230,872</u>	<u>7,911,051</u>
Net Change	6,563	(68,850)	(62,287)
Net Assets - Beginning	561,550	899,404	1,460,954
Adjustment to Net Assets - Beginning	<u>(5,865)</u>	<u>5,887</u>	<u>22</u>
Net Assets - Ending	<u>\$ 562,248</u>	<u>\$ 836,441</u>	<u>\$ 1,398,689</u>

### **Special Funds and Investments**

In addition to the County Treasurer's investment pool, certain specific funds and investments are managed by contracted financial institutions and include the Revolving Loan Fund and the restricted Certificates of Participation (COPs) and Revenue Bonds proceeds. The investments of COPs and revenue bonds were reported as restricted cash and investments on the financial statements. The purpose of the restricted cash is to fund future long-term debt payments (\$23.9 million) and capital projects (\$5.1 million) and to restrict cash for patient gift funds (\$723,901). Presented below are those deposits and investments managed by the trustee banks at June 30, 2009.

	<u>Fair Value</u>			<u>Weighted Average Maturities (yrs)</u>	<u>Credit Rating S&amp;P/MIS</u>
	<u>Revolving Loan Fund</u>	<u>Certificates of Participation</u>	<u>Total</u>		
(In \$000's)					
Cash and money market fund deposits	\$ 4,170	\$ 15,266	\$ 19,436	Not applicable	Not applicable
Federal Home Loan Bank	--	10,247	10,247	1.3	AAA/not rated
Federal Home Loan Mortgage Corporation	--	359	359	2.1	AAA/Aaa
Federal National Mortgage Association	--	2,632	2,632	2.1	AAA/Aaa
Federal Farm Credit Banks	--	1,175	1,175	3.6	Not rated
Total	<u>\$ 4,170</u>	<u>\$ 29,679</u>	<u>\$ 33,849</u>		

All of the underlying investments of the fixed income mutual fund were in obligations of the U.S. government and were not subject to credit risk.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

Investments (continued)

**Pension Fund Investments**

The Pension Trust Fund's investment activity is governed by the Board of Retirement's policy. Accordingly, domestic equity investments are targeted to comprise, at market value, approximately 33% of the portfolio, and the international equities are targeted at approximately 22%. Fixed income investments are to comprise, at market value, approximately 35% of the portfolio and Real Estate investments are targeted at approximately 10% of the portfolio.

The Pension Fund's investments, presented at fair value in accordance with GASB Statement No. 25, consist of both short term and long term investments.

(in \$000's)	<u>Fair Value</u>
<u>Investments:</u>	
Domestic equities	\$ 559,398
Domestic debt securities	388,268
International equities	85,078
Real estate	272,924
Alternative investments	80,026
Sub-Total	<u>1,385,694</u>
Investments Held by Broker-Dealers Under Securities Loans:	
Domestic equities	62,824
Domestic debt securities	15,401
International equities and debt securities	1,074
Total Investments Held by Broker-Dealers Under Securities Loans	<u>79,299</u>
Cash held by custodian (including cash collaterals)	<u>163,626</u>
Total	<u><u>\$ 1,628,619</u></u>

All investments owned by the Pension Trust Fund (the Plan) are held for safekeeping by independent master custodians through a "book entry system".

Cash not needed for the Plan's daily operations is deposited with the Plan master custodian, who pools from their clients all cash pending for permanent investment in their Short Term Investment Fund (STIF) and/or Short-Term Extendable Portfolio (STEP) accounts. The cash in the STIF account is invested in high-grade money market instruments with very short maturities, such as bonds, notes, foreign currency deposits (call deposits) and forward exchange contracts on a short-term basis. The cash in the STEP account is invested in various securities with the purpose of maximizing returns to the extent consistent with minimizing unit value volatility. The STEP investments are marked to market daily. At December 31, 2008, the Plan had \$163.5 million, \$0 million, and \$79.3 million in the STIF, the STEP, and the security lending STIF account, respectively.



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Pension Fund Investments** (continued)

*Security Lending* – The security lending STIF account represents the short-term investment of the cash collateral received from the borrower under the security-lending program. The Plan’s master custodian was appointed as the lending fiduciary by the Plan. Under the contract, the master custodian may lend securities of the Plan, other than commingled funds, held by it to certain Plan approved security borrowers. All loans are fully collateralized with cash, securities issued or fully guaranteed by the U.S. Government, or irrevocable bank letters of credit. Initial collateralization is 102% of the market value of the loaned securities. As securities are loaned, collateral is maintained at a minimum of 100% of the market value of the securities plus accrued income. The potential risks involved in the security-lending program normally could include: borrower bankruptcy, collateral deficiencies, and problems with settlements, corporate actions, dividends and interest.

Since the security-lending program is operated on a pooled basis, the cash collateral and the market value of non-cash collateral are pro-rated among all participants. The securities lending contracts do not allow the lenders to pledge or sell any non-cash collateral unless the borrower defaults. Cash collateral, on the other hand, is invested by the Plan’s master custodian in a fund created solely for the investment of cash collateral purposes. At year-end, the Plan had no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceeded the amounts the borrowers owe the Plan.

The cash collateral is reported on the financial statement as an asset and as a liability of the Pension Fund while the non-cash December 31, 2008 the out-on-loan securities, consisted of the following (5.4% of the total market value of securities, excluding the commingled funds owned by the San Joaquin County Employees’ Retirement Association):

	Fair Value	Cash Collateral Value	Non-Cash Collateral Value
(in \$000's)			
Domestic equities	\$ 62,169	\$ 62,824	\$ 1
Domestic debt securities	15,134	15,401	--
International equities	16,509	1,074	16,366
Total	\$ 93,812	\$ 79,299	\$ 16,367

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Pension Fund Investments** (continued)

*Credit Risk* – The Plan’s investments at December 31, 2008 that were exposed to credit risk and the corresponding credit ratings from Standard & Poor (S&P):

(in \$000's)	<u>Fair Value</u>
Pension S & P credit rating	
AAA	\$ 36,578
AA	427
A	57,972
BBB	58,133
BB	12,622
B	12,966
CCC	13,238
CC	90
C	17
D	274
Not rated	49,038
U.S. government and agencies (implicit guarantee, includes FNMA, FHLB, FHLMC and others)	146,913
Total investments in fixed income securities	\$ 388,268

*Custodial Credit Risk* – All cash deposits with the pension fund’s independent custodian, Northern Trust (NT), were uninsured and uncollateralized. All investment securities were held by NT and identified by NT’s internal records that the Plan was the owner of the securities, and therefore they were not subject to custodial credit risk.

*Concentration of Credit Risk* – The Plan’s investment policy restricts investment holdings to maximum of 5% of any single issuer within the Plan’s investment portfolio. At December 31, 2008, the investment portfolio contained no concentration of investments in any one entity that represented 5% or more of the Plan net assets.

*Interest Rate Risk* – The Plan manages its exposure to declines in fair values by requiring a minimum quality rating of Baa (Moody’s) or BBB (Standard & Poor’s) for fixed income securities. To manage interest rate risk, the effective duration of the total fixed income portfolio is restricted to 0.5 to 1.5 times certain aggregate bond indexes. At December 31, 2008, the Plan’s investments subject to the interest rate risk are presented below.

## COUNTY OF SAN JOAQUIN

### Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Pension Fund Investments** (continued)

	Fair Value	Weighted Average Maturity (Years)
(in \$000's)		
Asset backed securities	\$ 19,278	10.5
Bank Loans	26,569	4.9
Commercial mortgage-backed	1,490	37.3
U.S. government bonds	26,527	5.7
U.S. government mortgages	134,610	19.8
U.S. government agencies	8,039	12.9
Corporate and other credit	161,316	13.0
Non-government backed CMO's	9,567	29.5
Municipal/Revenue bonds	857	5.9
International fixed income	15	27.0
Total	\$ 388,268	

*Derivative Financial Instruments* – The Plan uses forward settlement contracts, forward currency contracts, futures and options contracts, and other derivative products within fixed income financial instruments to reduce financial market risks, enhance yields and to participate in all market areas without increasing investment costs. At December 31, 2008, the Plan's derivative financial instruments, with a fair value of \$206.4 million, include government and corporate obligations that consist of asset-based securities, futures, hedge equity, Collateralized Mortgage Obligations (CMOs), and Collateralized Mortgage Backed Securities (CMBS).

*Foreign Currency Risk* – The Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 2: **Cash and Investments** (continued)

**Pension Fund Investments** (continued)

SJCERA's exposure to Foreign Currency Risk in U.S. dollars as of December 31, 2008 is as follows:

<u>Currenty Type (in \$000's)</u>	<u>Fair Value</u>
Australian dollar	\$ (690)
Brazilian real	1,999
British pound sterling	(238)
Canadian dollar	62
Euro Currency	(1,794)
Hong Kong dollar	894
Japanese yen	(2,054)
Malaysian ringgit	32
Mexican peso	145
Norwegian krone	123
Philippine peso	75
Polish zloty	65
Singapore dollar	702
Swedish krona	123
Thailand baht	425
Totals	<u>\$ (131)</u>

Note 3: **Receivables**

Taxes and accounts receivable balances of the County's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

<u>Receivables - Governmental Activities (\$000's)</u>	<u>General Fund</u>	<u>Mental Health Substance Abuse Fund</u>	<u>First Five Program</u>	<u>Capital Outlay Fund</u>	<u>Other Gov. Funds</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
Taxes - gross	\$ 94,424	\$ --	\$ --	\$ --	\$ 540	\$ --	\$ 94,964
Accounts	4,447	8,693	--	--	804	130	14,074
Sales tax	5,142	--	--	--	--	--	5,142
Interest	382	30	27	277	376	326	1,418
Loan receivable	20	--	--	--	--	--	20
Due from other governments	69,052	2,721	1,557	--	4,703	1,135	79,168
Gross receivables	173,467	11,444	1,584	277	6,423	1,591	194,786
Less: allowance for uncollectible	(16,096)	--	--	--	--	--	(16,096)
	<u>\$ 157,371</u>	<u>\$ 11,444</u>	<u>\$ 1,584</u>	<u>\$ 277</u>	<u>\$ 6,423</u>	<u>\$ 1,591</u>	<u>\$ 178,690</u>

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 3: **Receivables** (continued)

<b>Receivables - Business-type Activities (\$000's)</b>	Hospital	Airport	Solid Waste	Total Business-type Activities
Accounts	\$ 127,360	\$ 315	\$ 1,039	\$ 128,714
Interest	165	4	35	204
Due from other governments	15,442	3	--	15,445
Gross receivables	142,967	322	1,074	144,363
Less: allowance for uncollectible	(85,636)	--	--	(85,636)
	<u>\$ 57,331</u>	<u>\$ 322</u>	<u>\$ 1,074</u>	<u>\$ 58,727</u>

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2009, the various components of deferred revenue and unearned revenue reported were as follows, in thousands:

<b>Governmental Activities:</b>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General fund:			
Property taxes receivable – secured	\$ 86,777	\$ --	\$ 86,777
Property taxes receivable – unsecured	3,678	--	3,678
Due from other governmental agencies	14,121	--	14,121
Grants received prior to meeting all eligible requirements	--	18,421	18,421
Others	1,079	--	1,079
Mental Health and Substance Abuse fund:			
Due from other governmental agencies	2,169	--	2,169
Other Gov. funds and Internal Service funds:			
Due from other governmental agencies	22	--	22
Others	154	--	154
Property taxes receivable-unsecured	434	--	434
	<u>\$ 108,434</u>	<u>\$ 18,421</u>	<u>\$ 126,855</u>
 <b>Business-Type Activities:</b>			
Hospital	\$ --	\$ 3,356	\$ 3,356
Airport	--	1,093	1,093
	<u>\$ --</u>	<u>\$ 4,449</u>	<u>\$ 4,449</u>

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 4: **Interfund Transactions and Balances**

**Due to and due from other funds**

Due to and due from other funds represents short-term borrowing between funds and regular services and supplies provided but not settled at year-end. The composition of interfund balances as of June 30, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Hospital	\$ 19,350,559
	Airport	382,702
	Solid Waste	323
	Internal Service	28,506
	General Fund	878,398
	Mental Health	4,152
	First 5 Program	28,037
	Capital Outlay Fund	159,447
	Nonmajor Funds	<u>2,165,459</u>
		<u>22,997,583</u>
Mental Health	General Fund	41,886
		<u>41,886</u>
Capital Outlay Fund	Internal Service Funds	649,415
		<u>649,415</u>
Nonmajor Funds	Solid Waste	4,479
	General Fund	143,432
	Nonmajor Funds	72,841
		<u>220,752</u>
	<b>Governmental Funds</b>	<u>23,909,636</u>
Internal Service Funds	Hospital	73,759
	Airport	5,860
	Solid Waste	11,205
	Internal Service Funds	18,003
	General Fund	1,084,592
	Mental Health	86,896
	First 5 Program	1,172
	Capital Outlay Fund	11,461
	Nonmajor funds	<u>336,162</u>
	<b>Internal Service Funds</b>	<u>1,629,110</u>

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 4: **Interfund Transactions and Balances** (continued)

**Due to and due from other funds** (continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Hospital	General Fund	\$ 52,929
	Nonmajor Fund	<u>11,941</u>
		<u>64,870</u>
Solid Waste	General Fund	\$ 50
		<u>50</u>
Total	<b>Enterprise Funds</b>	<u>64,920</u>
		<u>\$ 25,603,666</u>

**Advances to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 4,574,035
	Airport	<u>2,690,151</u>
		7,264,186
County Capital Outlay	Internal Service Funds	<u>343,259</u>
		<u>\$ 7,607,445</u>

Advances were made to finance capital asset improvements and other long-term projects.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 4: **Interfund Transactions and Balances** (continued)

### Fund Transfers

During the course of normal operations, the County has numerous transactions between funds as a result of labor negotiations, new funding resources, new projects, debt service payments, etc. Those transfer transactions are summarized below:

Transfer from	Transfer to	Amount (in \$000's)
General Fund	Hospital	\$ 25,301
	Stockton Metropolitan Airport	432
	Mental Health and Substance Abuse	9,771
	Capital Outlay	747
	ISF	429
	Solid Waste	282
	Other Governmental Funds	<u>14,307</u>
		<u>51,269</u>
Mental Health and Substance Abuse	Internal Service Funds	30
	Other Governmental Funds	<u>960</u>
		<u>990</u>
First Five Program	Other Governmental Funds	<u>64</u>
County Capital Outlay	General Fund	21,640
	Other Governmental Funds	<u>1,414</u>
		<u>23,054</u>
Other Governmental Funds	General Fund	5,099
	Capital Outlay Fund	2,371
	ISF	61
	Other Governmental Funds	<u>1,236</u>
		<u>8,767</u>
Internal Service Funds	Other Governmental Funds	<u>2</u>
Hospital	Internal Service Funds	4
Stockton Metropolitan Airport	Internal Service Funds	1
Solid Waste Disposal	Internal Service Funds	<u>3</u>
		<u>\$ 84,154</u>



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 5: **Capital Assets**

Capital asset activity for the year ended June 30, 2009, was as follows:

(in thousands)	Restated Balance June 30, 2008	Additions	Retirement	Transfers & Adjustments	Balance June 30, 2009
<b>Government Activities</b>					
Capital assets, not being depreciated					
Land	\$ 13,741	\$ 194	\$ --	\$ --	\$ 13,935
Construction in progress	86,620	52,171	--	(31,548)	107,243
Total capital assets, not being depreciated	<u>100,361</u>	<u>52,365</u>	<u>--</u>	<u>(31,548)</u>	<u>121,178</u>
Capital assets, being depreciated					
Structure and improvements	274,839	6,598	--	31,548	312,985
Furniture and equipment	76,229	12,922	(1,110)	(2)	88,039
Capitalized leases	7,148	1,967	(1,094)	--	8,021
Other capitalized assets	8,742	--	--	--	8,742
Infrastructure	292,308	25,377	--	--	317,685
Total capital assets, being depreciated	<u>659,266</u>	<u>46,864</u>	<u>(2,204)</u>	<u>31,546</u>	<u>735,472</u>
Less accumulated depreciation for:					
Structure and improvements	109,793	6,232	--	--	116,025
Furniture and equipment	45,446	7,148	(1,107)	(2)	51,485
Capitalized leases	4,440	1,019	(1,094)	--	4,365
Other capitalized assets	6,869	1,249	--	--	8,118
Infrastructure	98,250	11,344	--	--	109,594
Total depreciation	<u>264,798</u>	<u>26,992</u>	<u>(2,201)</u>	<u>(2)</u>	<u>289,587</u>
Total capital assets, being depreciated, net	<u>394,468</u>	<u>19,872</u>	<u>(3)</u>	<u>31,548</u>	<u>445,885</u>
Government activities capital assets, net	<u>\$ 494,829</u>	<u>\$ 72,237</u>	<u>\$ (3)</u>	<u>\$ --</u>	<u>\$ 567,063</u>
<b>Business-type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 4,663	\$ --	\$ --	\$ --	\$ 4,663
Construction in progress	13,947	45	(10)	(6,487)	7,495
Total capital assets, not being depreciated	<u>18,610</u>	<u>45</u>	<u>(10)</u>	<u>(6,487)</u>	<u>12,158</u>
Capital assets, being depreciated					
Structure and improvements	173,999	847	--	5,999	180,845
Furniture and equipment	69,183	2,570	(125)	488	72,116
Total capital assets, being depreciated	<u>243,182</u>	<u>3,417</u>	<u>(125)</u>	<u>6,487</u>	<u>252,961</u>
Less accumulated depreciation for:					
Structure and improvements	116,260	7,347	--	(30,211)	93,396
Furniture and equipment	16,785	3,987	(128)	29,589	50,233
Total depreciation	<u>133,045</u>	<u>11,334</u>	<u>(128)</u>	<u>(622)</u>	<u>143,629</u>
Total capital assets, being depreciated, net	<u>110,137</u>	<u>(7,917)</u>	<u>3</u>	<u>7,109</u>	<u>109,332</u>
Business-type activities capital assets, net	<u>\$ 128,747</u>	<u>\$ (7,872)</u>	<u>\$ (7)</u>	<u>\$ 622</u>	<u>\$ 121,490</u>

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 5: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	<u>Amount (\$000)</u>
General government	\$ 3,240
Public protection	5,590
Public ways and facilities	11,787
Health and sanitation	971
Social services	1,628
Education	45
Culture and recreation	842
Depreciation on capital assets held by the County internal service funds is charged to the various functions based on their usage of the assets	<u>2,889</u>
Total depreciation expense - governmental activities	<u><u>\$ 26,992</u></u>

Depreciation expense was charged to business-type functions as follows:

	<u>Amount (\$000)</u>
Airport enterprise	\$ 1,489
Solid Waste enterprise	2,764
General Hospital enterprise	7,081
Total depreciation expense - business-type functions	<u><u>\$ 11,334</u></u>

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt**

The following is a schedule of long-term liabilities as of June 30, 2009:

**Governmental Activities:**

	Amount (in \$000's)				
	Restated Balance	Additions	Deductions	Balance	Amounts
	June 30, 2008			June 30, 2009	Due Within One Year
Teeter note	\$ 41,000	\$ 42,000	\$ 41,000	\$ 42,000	\$ 42,000
Certificate of participation	141,020	--	5,995	135,025	2,200
Discount/gain on advance refunding (net)	962	--	(248)	1,210	--
Notes payable	3,616	--	382	3,234	60
Capital leases	2,777	1,967	1,080	3,664	1,163
Compensated absences	28,293	31,322	29,727	29,888	24,796
Estimated claims	63,425	8,178	11,779	59,824	--
	\$ 281,093	\$ 83,467	\$ 89,715	\$ 274,845	\$ 70,219

Estimated claims are liquidated by the internal service funds. Compensated absences are generally liquidated by the General Fund and related special revenue funds.

**Business-Type Activities:**

	Amount (in \$000's)				
	Restated Balance	Additions	Deductions	Balance	Amounts
	June 30, 2008			June 30, 2009	Due Within One Year
Certificates of participation	\$ 103,260	\$ --	\$ 7,385	\$ 95,875	\$ 7,710
Discount/gain on advance refunding (net)	(5,756)	--	(520)	(5,236)	--
Notes payable	80	--	4	76	5
Capital lease	2,291	--	556	1,735	580
Landfill closure and postclosure	10,628	2,344	--	12,972	--
Compensated absences	5,880	5,986	5,880	5,986	5,348
	\$ 116,383	\$ 8,330	\$ 13,305	\$ 111,408	\$ 13,643

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

**A. Capital Leases**

The County has entered into long-term capital leases agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. Equipment under capital leases includes the following:

	Governmental Activities	Business-Type Activities
Equipment	\$ 8,020,559	\$ 2,747,758
Less: accumulated depreciation	4,364,675	960,479
Net Value	\$ 3,655,884	\$ 1,787,279

The related amortization on the capital leases is as follows:

Year Ended June 30,	Governmental Activities	Business-Type Activities
2009-10	\$ 1,338,536	\$ 646,168
2010-11	1,176,988	646,168
2011-12	807,163	543,990
2012-13	471,276	16,549
2013-14	202,478	--
2014 - 2018	55,721	--
Total Requirements	4,052,162	1,852,875
Less Interest	388,150	117,604
Present Value of Remaining Payments	\$ 3,664,012	\$ 1,735,271

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

### B. **Certificates of Participation and Notes Payable**

#### **Certificates of Participation**

The County had the following Certificates of Participation issues outstanding at June 30, 2009:

<u>Project Name</u>	<u>Issuance Date</u>	<u>Face Value of the C.O.P.</u>	<u>Year-End Balance</u>
1993 Capital Facilities Project (partially refunded by 2007 COP)	October 1, 1993	\$ 110,740,000	\$ 11,940,000
2003 Solid Waste System Facilities Project (Including refunding)	May 8, 2003	36,830,000	25,320,000
1999 San Joaquin General Hospital Refunding	May 1, 2000	108,420,000	70,555,000
2007 County Administration Building	May 23, 2007	114,635,000	114,635,000
2007 County Service Area No. 31	December 1, 2007	<u>8,450,000</u>	<u>8,450,000</u>
Total		<u>\$ 379,075,000</u>	<u>\$ 230,900,000</u>

According to the official statements of the Certificates of Participation, all proceeds from the issuance are held and maintained by a Trustee Bank (Trustee) for the County Treasury. The Trustee invests the proceeds in demand or time deposits of any bank authorized to accept deposits of public funds, and/or in permitted investments as authorized by the County. Interest or profits on such investments received by the Trustee are, prior to the completion of the acquisition, construction and installation of the project, deposited in the Project Fund and thereafter are deposited in the Interest Fund. Costs of the acquisition and construction of the project are paid by the Trustee from the Project Fund, upon the County's authorization. Once the project is completed, the remaining funds in the Acquisition and Construction Fund, if any, are transferred to the County's proper funds or to the debt service funds.

The 2007 County Service Area No. 31 Project COPs are recorded as the liabilities of the Governmental Activities on the Statement of Net Assets. The debt service transactions and the fund balance of the reserve are recorded in the County's Debt Service Fund. The portion of the proceeds that is used for the acquisition and construction of certain sanitary sewer improvements is recorded in the County's Capital Outlay Fund. All related capital assets are also included in the Governmental Activities on the Statement of Net Assets.

The 2007 COPs were issued on December 1, 2007 with an average interest rate from 4.10% to 5.8%. The proceeds, after the required deposit to the Reserve Fund and issuance costs and discounts, are deposited in the Improvement Fund to finance the acquisition and construction of certain sanitary sewer improvements. The certificates mature in 2037 with principal payments ranging from \$125,000 to \$590,000.

The 2007 County Administration Building Project COPs are recorded as the liabilities of the Governmental Activities on the Statement of Net Assets. The debt service transactions and the fund balance of the reserve are recorded in the County's Debt Service Fund. The portion of the proceeds that is used for the construction of the County administration building is recorded in the County's Capital Outlay Fund. All activities are also included in the Governmental Activities on the Statement of Net Assets.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

**B. Certificates of Participation and Notes Payable** (continued)

**Certificates of Participation** (continued)

The 2007 COPs were issued on May 23, 2007 with an average interest rate from 4.75% to 5.0%. A portion of the proceeds from the new issuance was deposited in an irrevocable trust (\$18,398,857) with an escrow agent to provide for future scheduled debt services on the refunded 1993 COPs. As a result, the refunded portion of the outstanding 1993 COPs are considered to be defeased and the liability for those debts has been removed from the financial statement. The remaining proceeds, after the required deposit to the Reserve Fund and issuance costs and discounts, are deposited in the Improvement Fund for the design and construction of the new County administration building. The final acceptance and occupancy of the new building is anticipated to occur in approximately September 2009. The certificates mature in 2036 with principal payments ranging from \$2,765,000 to \$7,985,000.

The 2003 Solid Waste System Facilities Projects COPs are recorded in the Solid Waste enterprise fund. The COPs were issued on May 8, 2003 with an average interest rate of 6.5% to advance refund the outstanding Certificates of Participation issued in 1994, current refund the outstanding Certificates of Participation issued in 1991, and provide approximately \$17 million to fund various Solid Waste System Facilities projects. These Certificates are repaid from the net revenues of the County's solid waste system operations in accordance with the COP agreements. The improvement of real property is recognized in the Enterprise Fund's capital improvements. The certificates mature in 2022 with principal payments ranging from \$1,360,000 to \$3,155,000.

The 1991 Certificates were paid off in May 2003, and the 1994 Certificates were paid off in April 2004. The deferred amount on this refunding (the difference between the net carrying amount of old debt and the amount of funds required to redeem the old debts or to be deposited in escrow fund to refund old debts at the time of refunding) is amortized over the life of the original debt, which is shorter than the new debt.

The 1999 San Joaquin General Hospital Refunding COPs are recorded in the San Joaquin General Hospital enterprise fund. The COPs were issued on May 1, 1999 with an average interest rate of 4.9% to advance refund the then outstanding Certificates of Participation issued for the 1993 San Joaquin General Hospital Expansion Project with an average interest rate of 6.48%. The refunded COPs were paid off in September 2003. The refunding COP matures in 2021 with principal payments ranging from \$4,370,000 to \$6,735,000.

The 1993 Capital Facilities Project COPs are recorded as the liabilities of the Governmental Activities on the Statement of Net Assets. The debt services transactions and fund balance of the remaining proceeds are recorded in the County's Debt Service Fund. The related building structures and improvements are also recorded in the Governmental Activities on the Statement of Net Assets.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

**B. Certificates of Participation and Notes Payable** (continued)

**Certificates of Participation** (continued)

The 1993 COPs were issued on October 1, 1993 with an average interest rate from 3.86% to 5.16% to advance refund the then outstanding Certificates of Participation with an average interest rate of 6.07% to 7.18%. The then outstanding COPs included the 1989 Human Services Facilities Project COPs, the 1989 Jail and Sheriff's Operating Center Project, and the 1991 Public Facilities Project. The refunded COPs were paid off in November 2004.

On May 23, 2007, the County issued the 2007 COPs. Of the face value of \$114,635,000, \$18,398,857 was deposited in an escrow fund to pay the scheduled debt service on the Refunded 1993 Certificates of Participation to and including September 4, 2007, and to prepay on September 4, 2007, the refunded 1993 Certificates maturing November 15, 2019, at a prepayment price equal to 100% of the principal represented by the Refunded 1993 Certificates plus accrued interest. The refunded portion of the outstanding 1993 COPs, along with the related original deferred amount on the 1993 Certificates, are considered to be defeased and the liability for those debts have been removed from the financial statement.

Repayments made by the County to the Trustee Bank are held in trust by the Trustee Bank in the Interest Fund or the Base Rental Fund for the benefit of the County, but are irrevocably pledged to the trustee for the benefit of the owners of Certificate of Participation. The funds are used for the payment of interest and principal evidenced by the certificates.

The unfunded portion of the 1993 COP matures in 2014 with principal payments ranging from \$2,075,000 to \$5,995,000.

**Prior Year Defeasance**

On May 23, 2007, the County issued the 2007 Certificates of Participation (COP) of \$114,635,000 to finance the costs of design and construction of a new County Administration Building and prepay a portion of the County's 1993 outstanding COP. A portion of the proceeds from the new issuance was deposited in an irrevocable trust with an escrow agent to provide for future scheduled debt services on the refunded 1993 COPs. As a result, the refunded portion of the outstanding 1993 COPs are considered to be defeased and the liability for those debts has been removed from the financial statements. As of June 30, 2009, the certificates defeased had an outstanding balance of \$18,355,000.

**Notes Payable**

In November 2002 the County signed a fixed-price agreement of \$5.7 million to purchase an electronic voting system. To finance the purchase and additional related project costs, the County signed a loan agreement with a financial institution in an amount of \$3.2 million. The remaining project cost is to be funded by the State, pursuant to the 2002 California Voting Modernization Act (Proposition 41). In addition, the Federal government may also provide additional funding pursuant to Federal Bill House Resolution 3295. The purchase and loan agreements were finalized on July 1, 2003. The electronic voting machines were delivered on July 1, 2003 and the loan carries a term of 10 years with an interest rate of 4.73%. At June 30, 2009 the loan carried a balance of \$1.1 million.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

**B. Certificates of Participation and Notes Payable** (continued)

**Notes Payable** (continued)

The County Maintenance Districts of Shaded Terrace and Sunnyside Estates (Special Revenue Funds) had entered into agreements with the United States Department of Agriculture (USDA) for a loan of \$300,000 and \$100,000, respectively, in 2000-2001. The loans, along with the grants received from USDA, are used to finance certain capital improvements to the water system of the Districts. As of June 30, 2009 the outstanding balances on the loans totaled \$363,900.

In FY 2004-05, the County settled a lawsuit that was filed by H.D. Arnaiz, LTD, a California limited partnership (HDAL). This lawsuit involved the HDAL's rights to lease certain real property around the Airport area. The settlement requires the County to make an annual payment of \$132,115 between August 2005 and August 2029 (Promissory Note). In addition, the County is to make an annual property tax-based payment between September 2005 and September 2029 (Tax-based agreement). The tax-based payment is to be calculated each year and to be paid only if a certain threshold is met. The sum total of the payments under the promissory note payment and the tax-based agreement, in the aggregate is not to exceed \$4.0 million prior to 2029. The County reports it as a note liability (\$2.0 million) of the Casualty Insurance Fund, an internal service fund, at the present value of the minimum payments. As of June 30, 2009, the outstanding note was \$1.8 million.

The Airport (Enterprise Fund) has the remaining life of a 12-year note with a third party which financed the 1993-94 purchase of a paint shop. The note had a fixed interest rate of 12%. It carried a balance of \$75,820 as of June 30, 2009, and will be paid in full in 2018.

**Teeter Plan Borrowing**

Pursuant to Revenue and Taxation Code Section 4701, the County has opted into the "Alternative Method of Property Tax Distribution" method since fiscal year 1993-94. This method is known as the "Teeter Plan". Under the Teeter Plan, the County and all other taxing agencies received 100% of the current secured tax levy and direct assessments. In 1993-94, all taxing agencies received their share of 95% of all outstanding delinquent taxes and 100% of delinquent assessments. Additionally, Senate Bill 742 (1993) allowed counties converting to the Teeter Plan a one-time property shift reduction for the excess property tax revenues that schools received in 1993-94 due to the conversion.



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

**B. Certificates of Participation and Notes Payable** (continued)

**Teeter Plan Borrowing** (continued)

In order to convert to the Teeter Plan, the County had to buy out the existing unpaid property taxes, which was approximately \$41.6 million as of June 30, 2009. The County has been choosing the interfund borrowing method to partially finance the buy-out every year since 1993-94.

The County utilizes the delinquent tax penalty collections in 2008-09, and extra amount set aside in the loss reserve fund, and the interfund borrowing of \$42.0 million to finance the buy-out and the cumulative interest cost on the borrowing.

The interfund borrowing of \$42.0 million is collateralized with the uncollected taxes and is recorded in the General Fund. The interfund borrowing note, dated June 23, 2009, is to be repaid in full by July 1, 2009. However, the intention of the borrowing is to refinance the Note every year until such time that the collection of delinquent taxes is sufficient to repay the note. The interest expense of the Teeter-Plan borrowing is computed based on the County Treasury's investment rate and was reported within the County General Fund. In 2008-09, the County recognized \$790,682 interest expense on the loan.

The County is required by law to maintain a Loss Reserve Fund (classified as the General Fund's restricted net assets) in an amount equivalent to 1% of the total tax roll for that year. At June 30, 2009, the County set aside 2.5%, instead of 1%. The reserve fund balance was \$16.1 million.

**Schedule of Future Payments**

The following is a schedule of the future long-term debts payments as of June 30, 2009:

**Governmental Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
2010	\$ 2,220	\$ 6,661	\$ 60	\$ 96
2011	2,350	6,548	402	143
2012	2,515	6,423	420	125
2013	2,690	6,280	440	105
2014	2,870	6,128	71	85
2015-2019	16,420	28,294	403	374
2020-2024	20,720	23,637	500	277
2025-2029	26,495	17,740	618	159
2030-2034	33,730	10,338	202	46
2035-2039	25,015	1,933	96	20
2040-2044	--	--	22	1
	135,025	113,982	3,234	1,431
Add gain on advance refunding	1,210	--	--	--
Total Debt	\$ 136,235	\$ 113,982	\$ 3,234	\$ 1,431

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 6: **Long-Term Debt** (continued)

C. **Certificates of Participation and Notes Payable** (continued)

**Schedule of Future Payments** (continued)

**Business-Type Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
2010	\$ 7,710	\$ 4,637	\$ 5	\$ 9
2011	7,465	4,270	5	8
2012	7,935	3,912	6	8
2013	6,620	3,528	7	7
2014	6,950	3,190	8	6
2015-2019	40,475	10,150	45	11
2020-2024	18,720	1,232	--	--
	95,875	30,919	76	49
Less discount on advance refunding	(5,236)	--	--	--
Total Debt	<u>\$ 90,639</u>	<u>\$ 30,919</u>	<u>\$ 76</u>	<u>\$ 49</u>

Note 7: **Legal Debt Margin**

Government Code Section 25371 limits the County's ability to raise resources through the issuance of debt to finance acquisitions or construction of County facilities. The computation of the debt limitation and legal debt margin is presented below:

Net assessed value fiscal year 2008-09	<u>\$ 58,479,414,286</u>
Debt limit – 1 1/4% of total assessed value	<u>\$ 730,992,679</u>
Amount of debt applicable to debt limit:	

**Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2009 and does not expect to incur a significant liability.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 7: **Legal Debt Margin** (continued)

**Special Assessment Debt**

Special assessment district transactions are recorded in the Agency Fund as the County acts as an agent for the property owners in collecting assessments bonds and forwarding the collections to the bondholders. However, the County is not obligated in any manner for repayment of these special assessments. As of June 30, 2009, such special assessment debt outstanding totaled approximately \$703,818.

Note 8: **Landfill Closure and Postclosure Liability**

State and federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB 18 requires a portion of these closure and postclosure care costs to be recognized as an operating expense in each period of operation, based on landfill capacity used. The County is also required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care.

The County uses the Solid Waste Closure Fund, reported within the Solid Waste Enterprise Fund, to account for the contributions, as well as the landfill closure and postclosure costs.

At June 30, 2009, the landfill closure and postclosure care liability (\$13.0 million) represents the cumulative amount reported to date based on the cumulative usage of the landfills' capacity, minus the cash payments made. The remaining estimated cost of closure and postclosure care of \$71 million will be recognized as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

In 2008-09, solid waste processed a "pledge of revenue" with the California Integrated Waste Management Board for Corral Hollow Landfill, thereby allowing a transfer of \$1.0 million of excess funds from the postclosure maintenance of Corral Hollow to the solid waste enterprise fund.

The Solid Waste Enterprise operating fund transferred \$316,469 to the Closure Fund in 2008-09 to bring the funds available for landfill closure and postclosure up to \$5.2 million, which leaves approximately \$7.8 million to be funded in future years. Two of the County's four landfills have been closed. The remaining two landfills will be operative until year 2029 and 2059, respectively, with an estimated 20.6% and 6.8% of the available landfill capacity used to date.

Note 9: **Risk Management Programs**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and employees' health. To effectively manage those risks and control costs, the County established self-insurance programs for casualty (December, 1974), workers compensation (June, 2003), unemployment compensation (January, 1978), medical insurance (June, 1982), and dental insurance (June, 1982). Under these programs, the County provides coverage for up to a \$1,000,000 for each general liability and malpractice claim, \$25,000 for each property damage claim, \$10,000 for each public official performance claim, \$350,000 for health insurance coverage and \$3,000 for dental insurance coverage per employee per year. The County also joins together with other counties in the State through the California State Association of Counties (CSAC) to obtain general liability and malpractice insurance coverage for claims in excess of the coverage provided by the County up to \$25 million and \$10 million, respectively. The County also purchases commercial stop loss insurance for the health and dental insurance coverage in excess of the County covered portion. Settled claims have not exceeded the CSAC coverage or the commercial insurance coverage in any of the past three fiscal years.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 9: **Risk Management Programs** (continued)

The County, prior to FY 2003-04, obtained the workers' compensation insurance through CSAC's Excess Insurance Authority Primary Workers' Compensation program. The program provided for first dollar coverage for the County on a pooled basis with aggregate stop loss coverage in place to provide a unique "guaranteed cost" feature. Effective FY 2003-04, the County reverted back to the self-insurance program and only secured the excess coverage through the Excess Workers' Compensation Program of CSAC's Excess Insurance Authority (EIA).

All funds of the County participate in the programs and make payments to the insurance funds based on the actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses.

Based on the most recent actuarial studies (January of 2009) the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2009 were estimated at a discounted value of \$18.0 million and \$31.7 million, respectively, using the discount rate of 4%. These actuarially determined liabilities include the unpaid loss adjustment expenses.

In the opinion of management, the total assets in the insurance funds were sufficient to cover the actuarially determined claim liabilities, premium and administration cost as of June 30, 2009, except for the casualty insurance fund. Management plans to increase the department charges for casualty insurance for FY 2009-10 in response to a significant increase in the actuarially determined claim liabilities as of FY 2008-09.

The insurance funds had the following net assets:

	Net Assets (in \$000)
Casualty Insurance	\$ (1,703)
Workers' Compensation Insurance	13,537
Medical Insurance	29,366
Dental Insurance	929
Unemployment Insurance	3,893
Total	<u>\$ 46,022</u>

## COUNTY OF SAN JOAQUIN

### Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 9: **Risk Management Programs** (continued)

Changes in the insurance funds' claim liabilities for fiscal years 2007-08 and 2008-09 were:

(dollars in thousands)	<u>Casualty</u>	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Unemployment</u>	<u>Total</u>
<b>Balance at June 30, 2007</b>	\$ 11,630	\$ 26,305	\$ 6,339	\$ 233	\$ 200	\$ 44,707
Claims and changes in estimates for FY 2007-08	5,641	12,976	38,520	5,318	970	63,425
Less: claim payments	<u>(2,402)</u>	<u>(9,544)</u>	<u>(38,407)</u>	<u>(5,207)</u>	<u>(926)</u>	<u>(56,486)</u>
<b>Balance at June 30, 2008</b>	14,869	29,737	6,452	344	244	51,646
Claims and changes in estimates for FY 2008-09	10,072	13,128	42,897	5,168	1,159	72,424
Less: claim payments	<u>(5,416)</u>	<u>(9,767)</u>	<u>(42,763)</u>	<u>(5,191)</u>	<u>(1,109)</u>	<u>(64,246)</u>
<b>Balance at June 30, 2009</b>	<u>\$ 19,525</u>	<u>\$ 33,098</u>	<u>\$ 6,586</u>	<u>\$ 321</u>	<u>\$ 294</u>	<u>\$ 59,824</u>

Note 10: **Long-Term Operating Lease Agreements**

The County has several long-term operating lease agreements, with original terms ranging from one to ten years, for leased office space for County departments. There are no material restrictions imposed by these agreements. The minimum rental payments required under the operating lease commitments at June 30, 2009 are:

Year Ended June 30,	Primary Government (000's)
2010	\$ 4,469
2011	3,246
2012	2,800
2013	3,181
2014	1,001
Thereafter	<u>4,028</u>
	<u>\$ 18,725</u>

Total rent expense under operating lease agreements during the year ended June 30, 2009 was approximately \$6.0 million.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 10: **Long-Term Operating Lease Agreements** (continued)

The County also has outstanding construction project commitments of approximately \$2.2 million as of June 30, 2009. These commitments involve the outstanding Agriculture Center and County Administration building.

A new lease agreement was entered in October 2003 for the County to lease for the Workforce Investment Act Program an office building that was under construction by a property developer. The agreement would allow the County to occupy the office building for a minimum of 15 years after the completion of the construction with scheduled rent increases. The County moved into this new building in September 2005. The fiscal year 2008-09 rent payment was \$963,675.

Note 11: **Rental Income Under Operating Leases**

The following is a schedule by years of minimum future rental income on noncancellable operating leases as of June 30, 2009. These operating leases, for various real property, contain no material restrictions. All are to be paid to the Airport Enterprise Fund.

Year Ended June 30,	Amount (in \$000's)
2010	\$ 821
2011	687
2012	681
2013	682
2014	529
Thereafter	13,435
	<u>\$ 16,835</u>

Total rental income under operating lease agreements during the year ended June 30, 2009 is approximately \$918,314.

Note 12: **Net Assets/Fund Balances**

The governmental-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in Capital Assets, Net of Related Debt – this category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets – This category represents net assets of the County, not restricted for any project or other purpose.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 12: **Net Assets/Fund Balances** (continued)

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2009, reservations of fund balances are described below:

- Encumbrances – to reflect the outstanding contractual obligations for goods and services that have not been received.
- Inventory – to reflect the portion of assets that do not represent available spendable resources.
- Debt service – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- Advances – to reflect the amount due from other funds that are long-term in nature, such amounts do not represent available spendable resources.
- Others – to reflect the loan receivables and other assets that do not represent available spendable resources.

Portion of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. Fund balance designations include:

- Health and Social Services programs – to reflect management’s intent to expend the funds to meet the immediate needs in the following year for the County’s health and social services programs.
- Public Safety programs – to reflect management’s intent to expend the funds to support the County’s public safety needs.
- Parks and Recreation programs – to reflect management’s intent to expend certain funds for planned capital projects.
- Self-Insurance Programs – to meet the federal and state governments’ requirements for being self-insured for general liability, workers compensation, health and dental, and unemployment programs.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 13: **Deficit Fund Balance/Net Assets**

The following funds had deficit fund balances at June 30, 2009:

In-Home Support Services (IHSS) Authority (Nonmajor Special Revenue Fund) The deficit resulted from the delay in obtaining Federal and State reimbursements for costs incurred.	(148,612)
County Headstart (Nonmajor Special Revenue Fund) The deficit resulted from the delay in obtaining Federal and State reimbursements for costs incurred.	(682,423)
Water District (Nonmajor Special Revenue Fund) The deficit resulted from the excess expenditures over revenues	(11,990)
Northeastern SJ Groundwater Banking Authority (Nonmajor Special Revenue Fund) The deficit resulted from the excess expenditures over revenues	(640,417)
Mokelumne River Water and Power Authority (Nonmajor Special Revenue Fund) The deficit resulted from the excess expenditures over revenues	(379,525)
Casualty Insurance (Internal Service Fund) claims liability	(1,702,794)
	<u><u>\$ (3,565,761)</u></u>

Deficits in these funds are expected to be eliminated in future years through future revenues and/or transfers from other funds.

Note 14: **Employee Retirement System**

The County's pension fund is governed by the Board of Retirement of the San Joaquin County Employees' Retirement System (Plan). Prior to Fiscal Year 1993-94, the County also participated in the California Public Employees' Retirement System (PERS) for employees working in the Division of Public Health of the County Health Care Services. Since the 1993-94 fiscal year, all County employees are covered by one single retirement plan, the San Joaquin County Employees' Retirement System (SJCERS). The Public Health employees are covered by the County Retirement System through reciprocity. Both the County's and the employees' cumulative contribution to PERS will remain with PERS.



# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 14: **Employee Retirement System** (continued)

The County also contracted with Hartford to administer a qualified retirement plan under Section 401(a) of the Internal Revenue Code for full-time County physicians in health care services. These physicians are not members of the San Joaquin County Employees' Retirement System. The plan became operative on January 1, 1999.

The Health Plan of San Joaquin and Head Start Child Development Council, Inc., discretely presented component units, have a money purchase pension plan, 401(a), or a deferred annuity program on behalf of their employees. The other two discretely presented component units are covered by the County's retirement plan.

### The San Joaquin County Employees' Retirement System (Plan)

#### *Plan Description*

The following description of the San Joaquin County Employees' Retirement Association (SJCERA) is provided for general information purposes. SJCERA is governed by the Board of Retirement under the 1937 County Employees' Retirement Law (1937 Act). Members should refer to this Law for more complete information.

The SJCERA issues a stand alone financial report and was audited by Brown Armstrong Paulden, McCown Starbuck Thornburgh & Keeter Accountancy Corporation. The report is available by writing to San Joaquin County Employees' Retirement Association, 6 South El Dorado Street, Suite 400, Stockton, CA 95202 or by calling 209-468-2163. The data presented within this footnote is obtained from the financial statements that were audited by and reported on by the said Certified Public Accountants on May 29, 2009.

#### General

The Plan is a cost sharing multiple employer defined benefit pension plan (covering certain districts outside the reporting entity). It provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. It also provides post-employment health benefits (sick leave bank benefits) to certain members who meet certain criteria contained in the Memorandum of Understanding between the County and employees' unions.

The Retirement Board maintains its own accounting records and controls its own assets. The Plan's net assets, including the postemployment healthcare program-sick leave bank benefit, totaled approximately \$1.6 billion at December 31, 2008. The Plan's financial statements are presented on the accrual basis of accounting. The Plan member and employer contributions that should have been made in the calendar year based on the actuarially determined contribution rates are recognized as revenues of that calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The Plan's investments are reported at fair value. Securities are valued at the last reported market sales price or the equivalent pricing to comparable Government National Mortgage Association.

All administrative costs of the Plan are paid from the Plan's investment earnings.

#### Funding Policy

Pension: Contribution rates for the employers and employees were determined in accordance with actuarially determined contribution requirements by an actuarial valuation performed at January 1, 2008.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 14: **Employee Retirement System** (continued)

### The San Joaquin County Employees' Retirement System (Plan)

Employee contributions are payable over each employee's future working lifetime. The employer rates reflect the entry age normal funding method. Under this method, the normal cost is being paid over the future working lifetimes of the members. The past service liability is amortized over a rolling 10-year period.

In 2008, the employees' contributions were about \$13.0 million, an average of 6.00% of the annual covered salary.

### Funding Policy

The adopted employers' 2008 contribution rates, based on the actuarial determined requirements applicable to covered payroll were 44.51% for safety members and 23.04% for general members. The employers' actual contributions, including the contributions from the Plan's unapportioned earnings, to the Plan for the years ending December 31, 2008, 2007, 2006, and were \$94.2, \$85.9 million, and \$73.6 million, respectively, equal to the required contributions for each year.

### Postemployment Health Benefit Plan-Sick Leave Bank

The Board of Retirement, as part of the settlement of the class-action lawsuit brought by the San Joaquin County Deputy Sheriff's Association, extended the sick leave bank benefit to cover all eligible employees who were on the August 27, 2001 payroll or who deferred prior to August 27, 2001. The actuarially determined sick leave bank benefit liability for eligible members hired from January 28, 1992 through August 27, 2001 has been fully funded. However, the funding for eligible active members who were hired prior to January 28, 1992 was yet to be fully funded. The County has adopted a funding policy, effective fiscal year 2006-07, to make a bi-weekly contribution to the plan based on the annual actuarial valuation of the benefit plan. Based on the December 31, 2006 actuary report, the County has made the annual required contribution of \$4,083,235 in calendar year 2008. The employees are not required to contribute to the plan.

### California Public Employees' Retirement System (CalPERS)

#### General Description

Certain employees of the Health Care Services Department (Public Health) were members of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Effective June 28, 1993, those employees became members of the San Joaquin County Employees' Retirement System through reciprocity.

### Defined Contribution Pension Plan for the County Full-Time Physicians in Health Care Services

The County has an agreement with Hartford to administer a qualified retirement plan, 401(a), for the County's full-time physicians. Under this plan the County contributes \$8,000 annually per qualified physician to the plan. The physicians are also required to contribute a mandatory, tax-deferred match at a rate of 6.0% of their compensation. In FY 2008-09, the County contributed \$504,919 to the plan.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 14: **Employee Retirement System** (continued)

**Defined Contribution Pension Plan for the Health Plan of San Joaquin and Headstart Child Development Council, Inc.**

The Health Plan has a money purchase pension plan, 401(a), for its employees. All full-time, permanent employees are eligible to participate. The Health Plan contributes 5.75% of each participant's gross pay to the plan. Employees do not make contributions to the plan. In FY 2008-09, the Health Plan contributed \$434,566 to the pension plan.

The Health Plan approved a defined benefit plan contract between the Health Plan and CalPERS on January 28, 2002. Active CalPERS Plan members are required to contribute 7% of reportable earnings and the Health Plan is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Health Plan's contribution for the period ended June 30, 2009 was \$837,697.

The Headstart Council maintains a deferred annuity program on behalf of its employees. The employees contribute to the plan on a voluntary basis. The Council contributes to the plan for those employees who meet the eligibility requirements set forth in the plan. For the year ended January 31, 2009, the Council contributed \$386,538 to the plan.

The Local Agency Formation Commission participates in the County's Pension Plan and it contributed \$28,999 to the plan for the period ended June 30, 2009.

Note 15: **Postemployment Health Benefits-Implicit Subsidy**

As explained in Note 1-N, The County does not provide employees any Other Post Employment Benefits (OPEB) other than the postemployment health benefits under the "sick leave bank" program, as described in Note 14. The sick leave bank program is administered by the County's Retirement System (see Note 14 – Employee Retirement Systems for more information).

However, the County allows any member or beneficiary receiving a pension benefit to purchase post-retirement health insurance from one of the County's sponsored plans. In some cases, the purchase of this insurance can result in an implicit subsidy payable by the County in accordance with GASB Statement No. 43 and No. 45.

**Funding Policy.** Currently, the County pays for these benefits on a pay-as-you-go basis, as opposed to the pre-funded approach that is used in the pension and sick leave bank programs. The "annual required contribution" presented below is based on projected pay-as-you-go financing requirements. For fiscal year 2008-09, the County's actual contribution amounted to \$3.6 million for current premiums.

**Annual OPEB Cost and Net OPEB Obligation** The County's annual OPEB-Implicit Subsidy cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation (dollar amounts in thousands):

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 15: **Postemployment Health Benefits-Implicit Subsidy** (continued)

Annual required contribution	\$17,037
Interest on net OPEB-Implicit Subsidy obligation	613
Adjustment to annual required contribution	<u>    --</u>
Annual OPEB-Implicit Subsidy cost	17,650
Contribution made	<u>    3,582</u>
Increase in obligation	14,068
Net OPEB-Implicit Subsidy obligation-beginning of year	<u>    13,629</u>
 Net OPEB-Implicit Subsidy obligation-end of year	 <u><u>    \$27,697</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for FY 2008-09 and FY 2007-08 were as follows (dollar amounts in thousands):

*(in \$000's)			Percentage	Net
Year	Annual	Annual	of Annual	Pension
Ended	OPEB-Subsidy	Actual	Cost	Obligation
<u>December 31,</u>	<u>Obligation</u>	<u>Contribution</u>	<u>Contribution</u>	<u>End of Year</u>
2008	\$16,768	\$3,139	18.72%	\$13,629
2009	\$17,650	\$3,582	20.29%	\$27,697

**Funded Status and Funding Progress.** As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded, as the County chose to fund the program on the as-pay-as-you-go basis. The actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) for benefits was \$163.6 million. The covered payroll was \$377.2 million, and the ratio of the UAAL to the covered payroll was 43.4%.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents all fiscal year information since inception (FY 2007-08 is the first year to implement GASB 45) about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that time. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 15: **Postemployment Health Benefits-Implicit Subsidy** (continued)

In the December 31, 2007 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is an expected investment return based on the County's own investments, and an annual healthcare cost trend increment rate of 10% initially, reduced by decrements to an ultimate rate of 5% after 6 years. Both rates include a 3.75% salary increase assumption. Since the County chose to fund the plan on the basis of a pay-as-you-go method, there is no actuarial value of assets involved in the computation. The UAAL is being amortized as a level dollar amount over a closed period of 30 years. The remaining amortization period at December 31, 2008, was 28 years.

Note 16: **Component Unit Condensed Financial Information**

Condensed financial data for the four discretely presented major component units is presented below:

**Statement of Net Assets**

ASSETS	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin County	Total
Cash & investment – pool	\$ --	\$ --	\$ 55,655	\$ 26,320,564	\$ 26,376,219
Cash and investments – other	556,976	316,052	--	(782,433)	90,595
Due from other governments	416,504	--	--	11,321,715	11,738,219
Interest receivable	--	--	272	98,451	98,723
Accounts receivable	105,071	--	3,425	--	108,496
Depreciable assets, net	784,682	1,349	--	13,057,721	13,843,752
Other Assets	322,633	--	--	2,986,500	3,309,133
Total Assets	<u>\$ 2,185,866</u>	<u>\$ 317,401</u>	<u>\$ 59,352</u>	<u>\$ 53,002,518</u>	<u>\$ 55,565,137</u>
 <b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 1,654,503	\$ 63,701	\$ 13,429	\$ 1,804,838	\$ 3,536,471
Accrued claims payable	--	--	--	12,234,511	12,234,511
Provider risk sharing payable	--	--	--	1,878,679	1,878,679
Unearned revenues	111,466	--	--	--	111,466
Other liabilities	474,331	--	--	788,534	1,262,865
Total Liabilities	<u>2,240,300</u>	<u>63,701</u>	<u>13,429</u>	<u>16,706,562</u>	<u>19,023,992</u>
 <b>NET ASSETS</b>					
Investment in general fixed assets	784,682	1,349	--	13,057,721	\$ 13,843,752
Unrestricted net assets	(839,116)	252,351	45,923	23,238,235	22,697,393
Total Net Assets	<u>(54,434)</u>	<u>253,700</u>	<u>45,923</u>	<u>36,295,956</u>	<u>36,541,145</u>
Total Liabilities and Net Assets	<u>\$ 2,185,866</u>	<u>\$ 317,401</u>	<u>\$ 59,352</u>	<u>\$ 53,002,518</u>	<u>\$ 55,565,137</u>

# COUNTY OF SAN JOAQUIN

## Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 16: **Component Unit Condensed Financial Information** (continued)

**Statement of Changes in Net Assets**

	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin County	Total
<b>Program Revenues:</b>					
Operating grants and contributions	\$ 34,109,721	\$ 165,557	\$ 472,746	\$ 127,077,439	\$ 161,825,463
Charges for services	2,704,016	--	--	1,383,867	4,087,883
Interest income	--	2,082	4,053	529,507	535,642
Miscellaneous	--	255,100	--	--	255,100
Total Revenues	<u>36,813,737</u>	<u>422,739</u>	<u>476,799</u>	<u>128,990,813</u>	<u>166,704,088</u>
<b>Program Expenses:</b>					
General government	--	--	442,699	--	442,699
Public assistance	37,644,308	552,474	--	--	38,196,782
Health	--	--	--	126,937,982	126,937,982
Total Expenses	<u>37,644,308</u>	<u>552,474</u>	<u>442,699</u>	<u>126,937,982</u>	<u>165,577,463</u>
Change in net assets	(830,571)	(129,735)	34,100	2,052,831	1,126,625
Net assets, beginning	<u>776,137</u>	<u>383,435</u>	<u>11,823</u>	<u>34,243,125</u>	<u>35,414,520</u>
Net assets, ending	<u>\$ (54,434)</u>	<u>\$ 253,700</u>	<u>\$ 45,923</u>	<u>\$ 36,295,956</u>	<u>\$ 36,541,145</u>

Note 17: **Commitments and Contingencies**

**Pending Litigations**

The County is a defendant in various casualty and workers compensation lawsuits. Based on the most recent actuary report issued in January 2009, the County's actuarially determined ultimate loss liability of these lawsuits under the casualty insurance and workers compensation programs were approximately \$18.0 million and \$31.7 million, respectively. The assets of these two insurance funds totaling \$60.6 million were sufficient to cover these actuarially determined losses as of June 30, 2009 (See Note 9).

**San Joaquin County Employees' Retirement**

In 1998, the San Joaquin County Deputy Sheriffs' Association filed with the San Joaquin Superior Court a lawsuit against the County. The case arises out of a decision by the California Supreme Court entitled "Ventura County Deputy Sheriff's Association v. Board of Retirement of Ventura County Employee's Retirement Association" pertaining to the calculation of final compensation for retirement benefits. The petition for Coordination of Statewide Litigation was filed in July 1998, granted in December 1998, and assigned to the San Francisco Superior Court. The County and the County's Retirement System agreed, in July 2001, to settle the lawsuit, with the Superior Court's approval. Based on the agreement, the County's Retirement System will be responsible for the increased benefits. It is estimated that the cost is about \$134 million.

**COUNTY OF SAN JOAQUIN**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2009

Note 17: **Commitments and Contingencies** (continued)

**Grants**

The County recognizes as revenue, grant monies received and available within 60 days as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**Medicare and Medi-Cal Programs**

The Medicare program provides for reimbursement for the cost of service provided to program patients. The Medi-Cal program provides for reimbursement based on cost per patient day or service provided for administrative day services. Preliminary estimates of the amounts to be received from or due to third parties are included in the current year's financial statements. Final determination of amounts due for services to program patients is made when the cost reports are settled with respective administrative agencies, and any adjustments are made in the period such amounts are fully determined. Medicare and Medi-Cal cost reports have been audited through June 30, 2007 and June 30, 2006, respectively. The Hospital recognized approximately \$3.1 million and \$2.6 million in net patient service revenue in 2009 and 2008 for changes in estimated cost report settlements for cost reports finalized during the year ended June 30, 2009 and 2008, respectively.

Note 18: **Prior Period Adjustment**

Adjustments resulting from errors or changes to comply with provisions of accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance/net assets.

The impact of the restatements on the fund balance/net assets, as previously reported, is presented below:

	Fund Financial Statements	Government-Wide Statements
	Capital Outlay Fund	Government Activities
Net Assets/Fund Balance, June 30, 2008, as previously reported after adjustment for change in reporting entity	\$ 137,976,954	\$ 890,735,875
Restatements:		
Correct reporting of prior year revenues and expenditures	(27,667)	243,656
Fund Balance, June 30, 2008, as restated	\$ 137,949,287	\$ 890,979,531

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**COUNTY OF SAN JOAQUIN**

Required Supplementary Information  
For the Year Ended June 30, 2009

**Schedule of Funding Progress and Funding Status – Pension Fund**

The tables below shows a) a multi-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30; b) a multi-year history of the funding status of the pension fund:

Required Supplementary Information  
For the Year Ended June 30, 2009  
**Pension Benefit Plan**  
Schedule of Funding Progress  
(amounts in thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded/ (Overfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Overfunded) AAL Percentage of Covered Payroll</u>
01/01/02	\$ 1,357,409	\$ 1,266,747	\$ (90,662)	107.2%	\$ 243,327	0%
01/01/03	1,448,905	1,418,209	(30,696)	102.2%	259,812	0%
01/01/04	1,531,288	1,621,060	89,772	94.5%	286,429	31%
01/01/05	1,614,979	1,769,507	154,528	91.3%	296,473	52%
01/01/06	1,727,033	1,935,818	208,785	89.2%	309,692	67%
01/01/07	1,869,717	2,149,938	280,221	87.0%	340,828	82%
01/01/08	2,029,949	2,334,521	304,572	87.0%	367,361	83%

Schedule of Employer Contributions  
(amount in thousands)

<u>Actuarial Valuation</u>	<u>Actual Annual Contribution</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>	<u>Net Pension Obligation</u>
2005	\$ 62,509	\$ 62,509	100.0%	\$ --
2006	73,612	73,612	100.0%	--
2007	85,869	85,869	100.0%	--
2008	94,163	94,163	100.0%	--

## COUNTY OF SAN JOAQUIN

### Required Supplementary Information For the Year Ended June 30, 2009

#### Required Supplementary Information For the Year Ended June 30, 2009 **Post-employment Healthcare – Sick Leave Bank Program** Schedule of Funding Progress (amounts in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll
12/31/05	\$ 16,636	\$ 30,465	\$ 13,829	54.6%	\$ 224,753	6%
12/31/06	14,660	37,475	22,815	39.1%	229,726	10%
12/31/07	14,702	41,583	26,881	35.4%	221,626	12%
12/31/08	13,120	41,203	28,083	31.8%	212,675	13%

(Schedule of Funding Progress information for fiscal year ended 12/31/04 is not available.)

#### Schedule of Employer Contributions (amount in thousands)

Actuarial Valuation	Actual Annual Contribution	Annual Required Contribution	Percentage Contribution	Net Pension Obligation
2006	\$ 650,000	\$ 650,000	100.0%	\$ --
2007	2,780,500	2,780,500	100.0%	--
2008	4,083,235	4,083,235	100.0%	--

(Employer contributions for fiscal years 2004 and 2005 are not available.)

**COUNTY OF SAN JOAQUIN**

Required Supplementary Information  
For the Year Ended June 30, 2009

Required Supplementary Information  
For the Year Ended June 30, 2009  
**Post-employment Healthcare – Implicit Subsidy**  
Schedule of Funding Progress  
(amounts in thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded/ (Overfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Overfunded) AAL Percentage of Covered Payroll</u>
12/31/07	\$ --	\$ 157,337	\$ 157,337	0.0%	\$ 367,062	43%
12/31/08	--	163,596	163,596	0.0%	377,213	43%

Schedule of Employer Contributions  
(amount in thousands)

<u>Actuarial Valuation</u>	<u>Actual Annual Contribution</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 3,139	\$ 16,768	18.72%	\$ 13,629
12/31/08	3,582	17,037	21.0%	27,697

Multi-year trend information is not yet available as calendar year ending 2007 was the first year of implementation of GASB Statement 45. Information will be presented in future years as it becomes available.

**COUNTY OF SAN JOAQUIN**

Required Supplementary Information  
For the Year Ended June 30, 2009

Budgetary Comparison Schedule  
General Fund

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, July 1	\$ 26,706,439	\$ 26,706,439	\$ 26,706,439	\$ --
Resources (inflows):				
Taxes	216,894,592	216,894,592	240,070,831	23,176,239
Licenses and permits	6,071,350	6,071,350	4,695,849	(1,375,501)
Fines, forfeitures and penalties	8,948,097	8,948,097	11,503,742	2,555,645
Use of money and property	3,758,493	3,758,493	2,577,151	(1,181,342)
Aid from other governmental agencies	441,617,782	449,228,422	364,389,173	(84,839,249)
Charges for services	42,810,185	42,885,185	43,171,281	286,096
Other revenues	1,806,130	1,820,213	8,054,591	6,234,378
Other financing sources	29,228,451	62,829,666	34,952,215	(27,877,451)
Amounts available for appropriation	<u>751,135,080</u>	<u>792,436,018</u>	<u>709,414,833</u>	<u>(83,021,185)</u>
Charges to appropriations (outflows):				
Current:				
General government	71,656,631	93,342,407	45,584,157	47,758,250
Public protection	257,340,397	256,382,355	241,863,686	14,518,669
Public ways and facilities	63,000	63,000	--	63,000
Health and sanitation	45,578,574	43,415,684	36,056,257	7,359,427
Public assistance	347,024,527	353,116,488	305,225,563	47,890,925
Education	442,122	413,028	414,828	(1,800)
Recreation and culture	6,440,319	6,613,200	6,030,886	582,314
Reserve for contingency	38,132,484	43,208,241	--	43,208,241
Debt service:				
Principal	--	--	397,485	(397,485)
Interest	--	1,291	887,070	(885,779)
Other financing uses	42,940,150	54,537,098	51,227,241	3,309,857
Total charges to appropriations	<u>809,618,204</u>	<u>851,092,792</u>	<u>687,687,173</u>	<u>163,405,619</u>
Fund balance, end of year	<u>\$ (31,776,685)</u>	<u>\$ (31,950,335)</u>	<u>\$ 48,434,099</u>	<u>\$ 80,384,434</u>

Continued

# COUNTY OF SAN JOAQUIN

## Required Supplementary Information For the Year Ended June 30, 2009

### Budgetary Comparison Schedule (continued) General Fund

Explanation of differences between budgetary inflows and outflows and GAAP revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement, not including fund balance \$ 709,414,833

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (34,952,215)

Receipts from General Fund special accounts were budgeted only if they were expected to be used by the General Fund account, but were reported as revenues of the General Fund for financial reporting purposes 17,227,645

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 691,690,263

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 687,687,173

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (51,227,241)

Disbursements from General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes 4,025,065

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes. 3,794,634

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 644,279,631

**COUNTY OF SAN JOAQUIN**

Required Supplementary Information  
For the Year Ended June 30, 2009

Budgetary Comparison Schedule  
Mental Health and Substance Abuse Fund

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 8,797,108	\$ 8,797,108	\$ 8,797,108	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	210,000	210,000	155,071	(54,929)
Use of money and property	65,000	65,000	158,432	93,432
Aid from other governmental agencies	42,217,183	42,214,183	42,900,349	686,166
Charges for services	29,613,925	29,723,526	27,525,846	(2,197,680)
Other revenues	100,720	100,720	91,869	(8,851)
Other financing sources	11,160,610	11,086,046	9,771,060	(1,314,986)
Amounts available for appropriation	<u>83,367,438</u>	<u>83,399,475</u>	<u>80,602,627</u>	<u>(2,796,848)</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	84,587,298	84,616,343	74,599,188	10,017,155
Capital outlay	1,706,799	1,712,788	1,137,047	575,741
Other financing uses	--	--	989,888	(989,888)
Total charges to appropriations	<u>86,294,097</u>	<u>86,329,131</u>	<u>76,726,123</u>	<u>9,603,008</u>
Fund balance, end of year	<u>\$ 5,870,449</u>	<u>\$ 5,867,452</u>	<u>\$ 12,673,612</u>	<u>\$ 6,806,160</u>

Continued

COUNTY OF SAN JOAQUIN

Required Supplementary Information  
For the Year Ended June 30, 2009

Budgetary Comparison Schedule  
Mental Health and Substance Abuse Fund (continued)

Explanation of differences between budgetary inflows and outflows and GAAP revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement, not including fund balance \$ 80,602,627

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (9,771,060)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 70,831,567

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 76,726,123

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (989,888)

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes. 1,396,943

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 77,133,178

**COUNTY OF SAN JOAQUIN**

Required Supplementary Information  
For the Year Ended June 30, 2009

Budgetary Comparison Schedule  
First Five Program

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 13,286,743	\$ 13,286,743	\$ 13,286,743	\$ --
Resources (inflows):				
Use of money and property	388,962	491,962	346,705	(145,257)
Aid from other governmental agencies	11,214,186	11,214,186	10,871,285	(342,901)
Other revenues	--	--	573	573
Amounts available for appropriation	<u>11,603,148</u>	<u>11,706,148</u>	<u>11,218,563</u>	<u>(487,585)</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	28,358,819	28,495,456	24,605,028	3,890,428
Other financing uses	--	--	63,839	(63,839)
Total charges to appropriations	<u>28,358,819</u>	<u>28,495,456</u>	<u>24,668,867</u>	<u>3,826,589</u>
Fund balance, end of year	<u>\$ (3,468,928)</u>	<u>\$ (3,502,565)</u>	<u>\$ (163,561)</u>	<u>\$ 3,339,004</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and Expenditures:

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 24,668,867

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (63,839)

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes. (8,929,694)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 15,675,334



## COUNTY OF SAN JOAQUIN

### Note to Required Supplementary Information For the Year Ended June 30, 2009

#### **BUDGETARY BASIS OF ACCOUNTING**

In accordance with provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts an operating balanced final budget on or before August 31, of each year. Public hearings are conducted to review all proposed appropriations and the sources of financing before the adoption. Until the adoption of this balanced final budget, operations are governed by the proposed budget, which is approved by the Board of Supervisors.

Since the final budget must be balanced, any shortfall in revenue and other financing sources requires an equal reduction in appropriations. This operating balanced budget is adopted each fiscal year for the general, special revenue and special district service funds. It is prepared on a modified cash basis except that encumbrances are treated as budgeted expenditures in the year the purchase commitment is made. The encumbered appropriations do not lapse at year-end. Accordingly, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent year expenditures and become authorized encumbrance appropriations carried over. Throughout the fiscal year, supplemental appropriations may be made by the Board when revenues are received from unanticipated sources, or from anticipated sources in excess of estimates thereof or from contingency sources.

The legal level for budgetary control (the level at which expenditures may not exceed budgeted appropriations) is at the index and object level. An "index" for legal appropriation purposes may be (1) a single department (2) a division of a large department having multiple divisions, or (3) an entire fund. Object levels of expenditures for legal appropriation purposes are:

1. Salaries and benefits
2. Services and supplies
3. Other charges
4. Capital outlay
5. Other financing uses
6. Interfund transfers
7. Appropriation for contingencies
8. Contracts
9. Unclassified

All amendments or transfers of line item appropriations between objects within the same index require County Administrator approval. Amendments and transfers of appropriations between indexes or that involve the addition or deletion of a project or piece of equipment must be approved by the Board of Supervisors. The Board of Supervisors has authorized the Auditor-Controller of the County to make year-end budget adjustments and appropriation transfers within the respective County budgets and funds to provide for expenditures in excess of budgeted amounts.

Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by resolutions approved by the Board of Supervisors. Because of the transition in implementing GASB 34, although trust and agency actual revenues and expenditures are included in the financial statements, the County did not budget for these activities.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

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## **SUPPLEMENTARY INFORMATION**

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# **GENERAL FUND ACCOUNTS**

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General Fund Accounts, representing the general operating fund of the County, include General Account (General Fund) and certain special accounts that are under the control of various General Fund departments. They are used to account for all financial resources not accounted for in another fund.

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
All General Funds  
June 30, 2009

	<u>General Accounts</u>	<u>Contingency</u>	<u>General Reserve</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 80,798,480	\$ (218,506)	\$ 10,026,092	\$ 90,606,066
Imprest cash	248,975	--	--	248,975
Interest receivable	382,424	--	--	382,424
Accounts receivable	4,447,100	--	--	4,447,100
Taxes receivable	83,470,404	--	--	83,470,404
Due from other agencies	68,993,698	58,451	--	69,052,149
Due from other funds	1,750,648	21,246,935	--	22,997,583
Advances to other funds	3,361,657	3,902,529	--	7,264,186
Loans receivable	--	20,000	--	20,000
Inventory	70,224	--	--	70,224
Other assets	25,500	--	--	25,500
Total Assets	<u>\$ 243,549,110</u>	<u>\$ 25,009,409</u>	<u>\$ 10,026,092</u>	<u>\$ 278,584,611</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,680,714	\$ --	\$ --	\$ 8,680,714
Accrued payroll	8,343,890	--	--	8,343,890
Accrued interest	98,130	--	--	98,130
Due to other funds	2,213,227	--	--	2,213,227
Teeter note	42,000,000	--	--	42,000,000
Deferred revenues	124,075,326	--	--	124,075,326
Other liabilities	592,079	--	--	592,079
Total Liabilities	<u>186,003,366</u>	<u>--</u>	<u>--</u>	<u>186,003,366</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	13,530,625	--	--	13,530,625
Loans and advances	3,361,657	3,922,529	--	7,284,186
Inventory	70,224	--	--	70,224
Other assets	248,975	--	--	248,975
Unreserved	40,334,263	21,086,880	10,026,092	71,447,235
Total Fund Balances	<u>57,545,744</u>	<u>25,009,409</u>	<u>10,026,092</u>	<u>92,581,245</u>
Total Liabilities and Fund Balances	<u>\$ 243,549,110</u>	<u>\$ 25,009,409</u>	<u>\$ 10,026,092</u>	<u>\$ 278,584,611</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All General Funds  
For the Year Ended June 30, 2009

	General Accounts	Contingency	General Reserve	Total
<b>Revenues:</b>				
Taxes	\$ 240,070,831	\$ --	\$ --	\$ 240,070,831
Licenses, permits and franchises	4,750,396	--	--	4,750,396
Fines, forfeitures and penalties	15,242,379	--	--	15,242,379
Revenue from use of money and property	3,301,359	433,974	241,136	3,976,469
Aid from other governmental agencies	370,598,094	--	--	370,598,094
Charges for services	45,561,177	--	--	45,561,177
Other revenue	11,490,917	--	--	11,490,917
<b>Total Revenues</b>	<b>691,015,153</b>	<b>433,974</b>	<b>241,136</b>	<b>691,690,263</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	47,702,236	--	--	47,702,236
Public protection	246,661,718	--	--	246,661,718
Health and sanitation	36,726,878	--	--	36,726,878
Public assistance	302,104,872	--	--	302,104,872
Education	414,836	--	--	414,836
Recreation and cultural services	5,846,074	--	--	5,846,074
Capital Outlay	3,538,462	--	--	3,538,462
<b>Debt Service:</b>				
Principal	397,485	--	--	397,485
Interest	887,070	--	--	887,070
<b>Total Expenditures</b>	<b>644,279,631</b>	<b>--</b>	<b>--</b>	<b>644,279,631</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,735,522	433,974	241,136	47,410,632
<b>Other Financing Sources (Uses):</b>				
Proceeds from long term debt	790,682	--	--	790,682
Transfers within general fund	17,187,106	(17,187,106)	--	--
Transfers in	26,714,209	24,299	--	26,738,508
Transfers out	(51,085,452)	--	(183,238)	(51,268,690)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,393,455)</b>	<b>(17,162,807)</b>	<b>(183,238)</b>	<b>(23,739,500)</b>
Net Change in Fund Balances	40,342,067	(16,728,833)	57,898	23,671,132
Fund Balance, Beginning of Year	17,203,677	41,738,242	9,968,194	68,910,113
Fund Balances, End of Year	<u>\$ 57,545,744</u>	<u>\$ 25,009,409</u>	<u>\$ 10,026,092</u>	<u>\$ 92,581,245</u>

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
All General Fund Special Accounts  
June 30, 2009

	<u>General Account</u>	<u>Recorder's Account</u>	<u>Sheriff's Special Accounts</u>	<u>Prisoner Welfare Accounts</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 16,689,773	\$ 380,809	\$ 1,668,612	\$ 215,142
Imprest cash	96,375	--	--	--
Accounts receivable	3,668,488	238	34,551	287,599
Taxes receivable	82,546,146	--	--	--
Interest receivable	292,288	--	3,673	15
Due from other agencies	68,350,751	--	27,487	--
Due from other funds	1,745,431	195	1,970	2,978
Advances to other funds	3,361,657	--	--	--
Inventory	--	--	--	70,224
Other assets	25,500	--	--	--
Total Assets	<u>\$ 176,776,409</u>	<u>\$ 381,242</u>	<u>\$ 1,736,293</u>	<u>\$ 575,958</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 8,576,193	\$ --	\$ 227	\$ 44,436
Due to other funds	2,179,703	--	5,084	12,925
Accrued payroll	8,340,009	--	--	--
Deferred revenues	105,386,332	--	48,761	70,285
Teeter note	42,000,000	--	--	--
Accrued interest	98,130	--	--	--
Other liabilities	592,079	--	--	--
Total Liabilities	<u>167,172,446</u>	<u>--</u>	<u>54,072</u>	<u>127,646</u>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	13,530,120	--	--	505
Loans and advances	3,361,657	--	--	--
Inventory	--	--	--	70,224
Other	96,375	--	--	--
Unreserved	(7,384,189)	381,242	1,682,221	377,583
Total Fund Balances	<u>9,603,963</u>	<u>381,242</u>	<u>1,682,221</u>	<u>448,312</u>
 Total Liabilities and Fund Balances	 <u>\$ 176,776,409</u>	 <u>\$ 381,242</u>	 <u>\$ 1,736,293</u>	 <u>\$ 575,958</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
All General Fund Special Accounts  
June 30, 2009

	Emergency Medical Services Special Accounts	Court Fees & Assessments	Agriculture Special Accounts	Public Health Special Accounts
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 2,711,064	1,863,683	\$ 1,193,825	\$ 7,105,689
Imprest cash	--	--	--	--
Accounts receivable	58,384	29,128	294,079	2,609
Taxes receivable	--	--	--	--
Interest receivable	6,043	5,107	118	8,464
Due from other agencies	--	147,907	--	--
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
Inventory	--	--	--	--
Other assets	--	--	--	--
Total Assets	<u>\$ 2,775,491</u>	<u>2,045,825</u>	<u>\$ 1,488,022</u>	<u>\$ 7,116,762</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 48,998	--	\$ 10,860	\$ --
Due to other funds	11,941	--	--	--
Accrued payroll	--	--	--	--
Deferred revenues	--	--	57,569	--
Teeter note	--	--	--	--
Accrued interest	--	--	--	--
Other liabilities	--	--	--	--
Total Liabilities	<u>60,939</u>	<u>--</u>	<u>68,429</u>	<u>--</u>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	--	--	--	--
Loans and advances	--	--	--	--
Inventory	--	--	--	--
Other	--	--	--	--
Unreserved	2,714,552	2,045,825	1,419,593	7,116,762
Total Fund Balances	<u>2,714,552</u>	<u>2,045,825</u>	<u>1,419,593</u>	<u>7,116,762</u>
 Total Liabilities and Fund Balances	<u>\$ 2,775,491</u>	<u>2,045,825</u>	<u>\$ 1,488,022</u>	<u>\$ 7,116,762</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
All General Fund Special Accounts  
June 30, 2009

	Community Service Special Accounts	Parks' Special Accounts	Assessor Special Accounts	Probation Juvenile Welfare
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 1,765,645	\$ 4,307,547	\$ 331,076	\$ 712,202
Imprest cash	2,600	--	--	--
Accounts receivable	17,732	--	1,378	--
Taxes receivable	--	--	--	--
Interest receivable	2,658	7,859	1,247	2,431
Due from other agencies	381,833	--	--	--
Due from other funds	--	--	74	--
Advances to other funds	--	--	--	--
Inventory	--	--	--	--
Other assets	--	--	--	--
Total Assets	<u>\$ 2,170,468</u>	<u>\$ 4,315,406</u>	<u>\$ 333,775</u>	<u>\$ 714,633</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	3,574	--	--	--
Accrued payroll	3,881	--	--	--
Deferred revenues	140,410	--	--	--
Teeter note	--	--	--	--
Accrued interest	--	--	--	--
Other liabilities	--	--	--	--
Total Liabilities	<u>147,865</u>	<u>--</u>	<u>--</u>	<u>--</u>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	--	--	--	--
Loans and advances	--	--	--	--
Inventory	--	--	--	--
Other	2,600	--	--	--
Unreserved	2,020,003	4,315,406	333,775	714,633
Total Fund Balances	<u>2,022,603</u>	<u>4,315,406</u>	<u>333,775</u>	<u>714,633</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,170,468</u>	 <u>\$ 4,315,406</u>	 <u>\$ 333,775</u>	 <u>\$ 714,633</u>

Continued



**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
All General Fund Special Accounts  
June 30, 2009

	Comm Dev Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ 2,324,665	\$ 4,201,663	\$ 18,405,902	\$ 16,921,183	\$ 80,798,480
Imprest cash	--	--	150,000	--	248,975
Accounts receivable	--	52,784	--	130	4,447,100
Taxes receivable	--	924,258	--	--	83,470,404
Interest receivable	5,360	14,566	--	32,595	382,424
Due from other agencies	--	85,720	--	--	68,993,698
Due from other funds	--	--	--	--	1,750,648
Advances to other funds	--	--	--	--	3,361,657
Inventory	--	--	--	--	70,224
Other assets	--	--	--	--	25,500
Total Assets	<u>\$ 2,330,025</u>	<u>\$ 5,278,991</u>	<u>\$ 18,555,902</u>	<u>\$ 16,953,908</u>	<u>\$ 243,549,110</u>
<b>LIABILITIES</b>					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 8,680,714
Due to other funds	--	--	--	--	2,213,227
Accrued payroll	--	--	--	--	8,343,890
Deferred revenues	--	--	18,371,969	--	124,075,326
Teeter note	--	--	--	--	42,000,000
Accrued interest	--	--	--	--	98,130
Other liabilities	--	--	--	--	592,079
Total Liabilities	<u>--</u>	<u>--</u>	<u>18,371,969</u>	<u>--</u>	<u>186,003,366</u>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	--	--	--	--	13,530,625
Loans and advances	--	--	--	--	3,361,657
Inventory	--	--	--	--	70,224
Other	--	--	150,000	--	248,975
Unreserved	2,330,025	5,278,991	33,933	16,953,908	40,334,263
Total Fund Balances	<u>2,330,025</u>	<u>5,278,991</u>	<u>183,933</u>	<u>16,953,908</u>	<u>57,545,744</u>
Total Liabilities and Fund Balances	<u>\$ 2,330,025</u>	<u>\$ 5,278,991</u>	<u>\$ 18,555,902</u>	<u>\$ 16,953,908</u>	<u>\$ 243,549,110</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All General Fund Special Accounts  
For the Year Ended June 30, 2009

	General Account	Recorder's Account	Sheriff's Special Accounts	Prisoner Welfare Accounts
<b>Revenues:</b>				
Taxes	\$ 240,070,831	\$ --	\$ --	\$ --
Licenses, permits and franchises	4,695,849	--	--	--
Fines, forfeitures and penalties	11,503,742	--	377,288	--
Revenue from use of money and property	1,902,041	1,998	30,899	1,682
Aid from other governmental agencies	364,389,172	--	368,918	--
Charges for services	43,171,281	60,592	332,246	--
Other revenue	8,054,591	--	1,481	3,022,918
Total Revenues	<u>673,787,507</u>	<u>62,590</u>	<u>1,110,832</u>	<u>3,024,600</u>
<b>Expenditures:</b>				
Current:				
General government	47,671,894	--	--	--
Public protection	243,573,617	--	236,804	1,481,119
Health and sanitation	36,154,125	--	--	--
Public assistance	301,973,867	--	--	--
Education	414,836	--	--	--
Recreation and cultural services	5,846,074	--	--	--
Capital Outlay	3,358,155	--	40,584	12,818
Debt Service:				
Principal	397,485	--	--	--
Interest	887,070	--	--	--
Total Expenditures	<u>640,277,123</u>	<u>--</u>	<u>277,388</u>	<u>1,493,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,510,384</u>	<u>62,590</u>	<u>833,444</u>	<u>1,530,663</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of debt	790,682	--	--	--
Transfers between General Fund accounts	24,671,057	(2,800)	(546,465)	(1,500,618)
Transfers in	26,714,209	--	--	--
Transfers out	(51,082,372)	--	--	(449)
Total Other Financing Sources (Uses)	<u>1,093,576</u>	<u>(2,800)</u>	<u>(546,465)</u>	<u>(1,501,067)</u>
Net Change in Fund Balances	34,603,960	59,790	286,979	29,596
Fund Balances, Beginning of Year	<u>(24,999,997)</u>	<u>321,452</u>	<u>1,395,242</u>	<u>418,716</u>
Fund Balances, End of Year	<u>\$ 9,603,963</u>	<u>\$ 381,242</u>	<u>\$ 1,682,221</u>	<u>\$ 448,312</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 All General Fund Special Accounts  
 For the Year Ended June 30, 2009

	Emergency Medical Services Special Accounts	Court Fees & Assessments	Agriculture Special Accounts	Public Health Special Accounts
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, permits and franchises	--	--	--	--
Fines, forfeitures and penalties	648,347	357,807	--	493,383
Revenue from use of money and property	59,172	49,210	7,339	61,294
Aid from other governmental agencies	45,904	546,906	--	1,737,073
Charges for services	--	--	696,483	46,751
Other revenue	--	--	111,411	--
Total Revenues	<u>753,423</u>	<u>953,923</u>	<u>815,233</u>	<u>2,338,501</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	80,060	--
Health and sanitation	402,069	--	--	170,684
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	--	--	--	--
Capital Outlay	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>402,069</u>	<u>--</u>	<u>80,060</u>	<u>170,684</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>351,354</u>	<u>953,923</u>	<u>735,173</u>	<u>2,167,817</u>
Other Financing Sources (Uses):				
Issuance of debt	--	--	--	--
Transfers between General Fund accounts	--	(910,770)	(356,577)	(1,310,915)
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(910,770)</u>	<u>(356,577)</u>	<u>(1,310,915)</u>
Net Change in Fund Balances	351,354	43,153	378,596	856,902
Fund Balances, Beginning of Year	<u>2,363,198</u>	<u>2,002,672</u>	<u>1,040,997</u>	<u>6,259,860</u>
Fund Balances, End of Year	<u>\$ 2,714,552</u>	<u>\$ 2,045,825</u>	<u>\$ 1,419,593</u>	<u>\$ 7,116,762</u>

Continued

## COUNTY OF SAN JOAQUIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

All General Fund Special Accounts

For the Year Ended June 30, 2009

	Community Service Special Accounts	Parks' Special Accounts	Assessor Special Accounts	Probation Juvenile Welfare
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses, permits and franchises	--	--	--	--
Fines, forfeitures and penalties	92,312	--	--	--
Revenue from use of money and property	29,680	81,969	10,826	42,780
Aid from other governmental agencies	1,723,860	--	--	1,600,059
Charges for services	180,438	315,160	265,363	--
Other revenue	48,518	194,913	--	2,937
Total Revenues	<u>2,074,808</u>	<u>592,042</u>	<u>276,189</u>	<u>1,645,776</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	1,167,110
Health and sanitation	--	--	--	--
Public assistance	131,005	--	--	--
Education	--	--	--	--
Recreation and cultural services	--	--	--	--
Capital Outlay	--	--	--	126,905
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	<u>131,005</u>	<u>--</u>	<u>--</u>	<u>1,294,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,943,803</u>	<u>592,042</u>	<u>276,189</u>	<u>351,761</u>
Other Financing Sources (Uses):				
Issuance of debt	--	--	--	--
Transfers between General Fund accounts	(1,988,297)	--	(306,300)	--
Transfers in	--	--	--	--
Transfers out	--	--	--	(2,631)
Total Other Financing Sources (Uses)	<u>(1,988,297)</u>	<u>--</u>	<u>(306,300)</u>	<u>(2,631)</u>
Net Change in Fund Balances	(44,494)	592,042	(30,111)	349,130
Fund Balances, Beginning of Year	<u>2,067,097</u>	<u>3,723,364</u>	<u>363,886</u>	<u>365,503</u>
Fund Balances, End of Year	<u>\$ 2,022,603</u>	<u>\$ 4,315,406</u>	<u>\$ 333,775</u>	<u>\$ 714,633</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 All General Fund Special Accounts  
 For the Year Ended June 30, 2009

	Comm Dev Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
<b>Revenues:</b>					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 240,070,831
Licenses, permits and franchises	54,547	--	--	--	4,750,396
Fines, forfeitures and penalties	--	1,769,500	--	--	15,242,379
Revenue from use of money and property	57,380	118,730	101,364	744,995	3,301,359
Aid from other governmental agencies	--	186,202	--	--	370,598,094
Charges for services	12,900	242,097	--	237,866	45,561,177
Other revenue	--	54,148	--	--	11,490,917
Total Revenues	<u>124,827</u>	<u>2,370,677</u>	<u>101,364</u>	<u>982,861</u>	<u>691,015,153</u>
<b>Expenditures:</b>					
Current:					
General government	--	--	--	30,342	47,702,236
Public protection	123,008	--	--	--	246,661,718
Health and sanitation	--	--	--	--	36,726,878
Public assistance	--	--	--	--	302,104,872
Education	--	--	--	--	414,836
Recreation and cultural services	--	--	--	--	5,846,074
Capital Outlay	--	--	--	--	3,538,462
Debt Service:					
Principal	--	--	--	--	397,485
Interest	--	--	--	--	887,070
Total Expenditures	<u>123,008</u>	<u>--</u>	<u>--</u>	<u>30,342</u>	<u>644,279,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,819</u>	<u>2,370,677</u>	<u>101,364</u>	<u>952,519</u>	<u>46,735,522</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of debt	--	--	--	--	790,682
Transfers between General Fund accounts	--	(1,061,209)	--	500,000	17,187,106
Transfers in	--	--	--	--	26,714,209
Transfers out	--	--	--	--	(51,085,452)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(1,061,209)</u>	<u>--</u>	<u>500,000</u>	<u>(6,393,455)</u>
Net Change in Fund Balances	1,819	1,309,468	101,364	1,452,519	40,342,067
Fund Balances, Beginning of Year	<u>2,328,206</u>	<u>3,969,523</u>	<u>82,569</u>	<u>15,501,389</u>	<u>17,203,677</u>
Fund Balances, End of Year	<u>\$ 2,330,025</u>	<u>\$ 5,278,991</u>	<u>\$ 183,933</u>	<u>\$ 16,953,908</u>	<u>\$ 57,545,744</u>

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# **NONMAJOR GOVERNMENTAL FUNDS**

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Nonmajor governmental funds include special revenue funds, capital project funds, and debt service funds that are not classified as major funds by the County.

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 112,883,261	\$ 8,065,521	\$ 28,406,806	\$ 149,355,588
Imprest cash	33,275	--	--	33,275
Interest receivable	262,602	125	39,079	301,806
Accounts receivable	680,407	--	123,866	804,273
Taxes receivable	539,682	--	--	539,682
Due from other agencies	4,702,752	--	--	4,702,752
Due from other funds	220,752	--	--	220,752
Inventory	319,547	--	--	319,547
Restricted assets:				
Restricted cash and investments	100,988	10,379,791	--	10,480,779
Receivables	--	74,175	--	74,175
Total Assets	<u>\$ 119,743,266</u>	<u>\$ 18,519,612</u>	<u>\$ 28,569,751</u>	<u>\$ 166,832,629</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,917,610	\$ --	\$ 259,728	\$ 4,177,338
Accrued payroll	1,275,031	--	--	1,275,031
Due to other funds	2,574,464	--	--	2,574,464
Advances from other funds	4,574,035	--	--	4,574,035
Deferred revenues	610,097	--	--	610,097
Total Liabilities	<u>12,951,237</u>	<u>--</u>	<u>259,728</u>	<u>13,210,965</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	6,362,186	--	10,670,715	17,032,901
Debt service	--	18,519,612	--	18,519,612
Inventory	319,547	--	--	319,547
Other	33,275	--	--	33,275
Unreserved				
Undesignated	100,077,021	--	17,639,308	117,716,329
Total Fund Balances	<u>106,792,029</u>	<u>18,519,612</u>	<u>28,310,023</u>	<u>153,621,664</u>
Total Liabilities and Fund Balances	<u>\$ 119,743,266</u>	<u>\$ 18,519,612</u>	<u>\$ 28,569,751</u>	<u>\$ 166,832,629</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 22,050,168	\$ --	\$ --	\$ 22,050,168
Licenses, permits and franchises	159,214	--	--	159,214
Fines, forfeitures and penalties	51,574	--	1,720,219	1,771,793
Revenue from use of money and property	2,678,080	715,653	523,794	3,917,527
Aid from other governmental agencies	84,497,429	--	--	84,497,429
Charges for services	18,340,691	23,583	10,258	18,374,532
Other revenue	1,600,906	--	--	1,600,906
Total Revenues	<u>129,378,062</u>	<u>739,236</u>	<u>2,254,271</u>	<u>132,371,569</u>
Expenditures:				
Current:				
Public protection	28,708,140	--	--	28,708,140
Public ways and facilities	28,228,035	--	--	28,228,035
Health and sanitation	2,201,601	--	--	2,201,601
Public assistance	35,457,283	--	--	35,457,283
Education	6,231,800	--	--	6,231,800
Recreation and cultural services	211,231	--	--	211,231
Capital Outlay	26,691,952	--	8,941,479	35,633,431
Debt Service:				
Principal	--	6,000,300	--	6,000,300
Interest and debt issuance costs	113,257	6,935,854	--	7,049,111
Total Expenditures	<u>127,843,299</u>	<u>12,936,154</u>	<u>8,941,479</u>	<u>149,720,932</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,534,763</u>	<u>(12,196,918)</u>	<u>(6,687,208)</u>	<u>(17,349,363)</u>
Other Financing Sources (Uses):				
Transfers in	3,248,256	12,911,834	1,823,228	17,983,318
Transfers out	<u>(5,949,469)</u>	<u>(2,398,840)</u>	<u>(418,819)</u>	<u>(8,767,128)</u>
Total Other Financing Sources (Uses)	<u>(2,701,213)</u>	<u>10,512,994</u>	<u>1,404,409</u>	<u>9,216,190</u>
Net Change in Fund Balances	(1,166,450)	(1,683,924)	(5,282,799)	(8,133,173)
Fund Balance, Beginning of Year	<u>107,958,479</u>	<u>20,203,536</u>	<u>33,592,822</u>	<u>161,754,837</u>
Fund Balances, End of Year	<u>\$ 106,792,029</u>	<u>\$ 18,519,612</u>	<u>\$ 28,310,023</u>	<u>\$ 153,621,664</u>



## **Special Revenue Funds**

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Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

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**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments	\$ 25,686,366	\$ 288,412	\$ 13,386,475	\$ 1,315,918
Imprest cash	125	--	--	--
Interest receivable	46,182	223	33,938	3,040
Accounts receivable	75,347	13,966	107,682	--
Taxes receivable	108,000	--	--	--
Due from other agencies	1,467,497	--	--	--
Due from other funds	218,885	--	--	--
Inventories	319,547	--	--	--
Restricted Assets:				
Cash and investments	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
 Total Assets	<u><u>\$ 27,921,949</u></u>	<u><u>\$ 302,601</u></u>	<u><u>\$ 13,528,095</u></u>	<u><u>\$ 1,318,958</u></u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 1,233,170	\$ --	\$ --	\$ --
Accrued payroll	401,587	--	--	--
Due to other funds	265,376	3,811	--	--
Advances from other funds	--	--	--	--
Deferred revenues	<u>147,184</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
 Total Liabilities	<u>2,047,317</u>	<u>3,811</u>	<u>          --</u>	<u>          --</u>
 <b>FUND BALANCES</b>				
Reserved:				
Encumbrances	1,693,605	--	--	--
Inventory	319,547	--	--	--
Other	125	--	--	--
Unreserved:				
Undesignated	<u>23,861,355</u>	<u>298,790</u>	<u>13,528,095</u>	<u>1,318,958</u>
 Total Fund Balances	<u>25,874,632</u>	<u>298,790</u>	<u>13,528,095</u>	<u>1,318,958</u>
 Total Liabilities and Fund Balance	<u><u>\$ 27,921,949</u></u>	<u><u>\$ 302,601</u></u>	<u><u>\$ 13,528,095</u></u>	<u><u>\$ 1,318,958</u></u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Job Training Partnership Act	Rabies Treatment	County Headstart	Road District #1
	<u>Act</u>	<u>Treatment</u>	<u>Headstart</u>	<u>#1</u>
<b>ASSETS</b>				
Cash and investments	\$ 616,527	\$ 170,788	\$ --	\$ 2,038,574
Imprest cash	250	--	--	--
Interest receivable	--	916	199	4,806
Accounts receivable	83,991	728	9	--
Taxes receivable	--	--	--	20,617
Due from other agencies	1,887,069	--	6,341	--
Due from other funds	--	--	--	--
Inventories	--	--	--	--
Restricted Assets:				
Cash and investments	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 2,587,837</u>	<u>\$ 172,432</u>	<u>\$ 6,549</u>	<u>\$ 2,063,997</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 246,478	\$ 21,655	\$ 672,411	\$ --
Accrued payroll	472,601	12,957	8,781	--
Due to other funds	19,247	11,066	7,780	--
Advances from other funds	--	--	--	--
Deferred revenues	--	--	--	20,727
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>738,326</u>	<u>45,678</u>	<u>688,972</u>	<u>20,727</u>
<b>FUND BALANCES</b>				
Reserved:				
Encumbrances	185,296	86,740	27,335	2,433
Inventory	--	--	--	--
Other	250	--	--	--
Unreserved:				
Undesignated	1,663,965	40,014	(709,758)	2,040,837
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>1,849,511</u>	<u>126,754</u>	<u>(682,423)</u>	<u>2,043,270</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 2,587,837</u>	<u>\$ 172,432</u>	<u>\$ 6,549</u>	<u>\$ 2,063,997</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Road District #2	Road District #3	Road District #4	Road District #5
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments	\$ 1,309,334	\$ 242,660	\$ 1,826,152	\$ 3,632,258
Imprest cash	--	--	--	--
Interest receivable	3,081	974	5,458	8,777
Accounts receivable	--	--	--	--
Taxes receivable	21,661	13,066	84,410	42,903
Due from other agencies	--	--	--	--
Due from other funds	--	20	--	--
Inventories	--	--	--	--
Restricted Assets:				
Cash and investments	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,334,076</u>	<u>\$ 256,720</u>	<u>\$ 1,916,020</u>	<u>\$ 3,683,938</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 132	\$ --	\$ 11,774	\$ 293
Accrued payroll	--	--	--	--
Due to other funds	--	20	--	--
Advances from other funds	--	--	--	--
Deferred revenues	21,780	13,129	84,865	43,135
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>21,912</u>	<u>13,149</u>	<u>96,639</u>	<u>43,428</u>
<b>FUND BALANCES</b>				
Reserved:				
Encumbrances	22,078	63,728	227,234	64,384
Inventory	--	--	--	--
Other	--	--	--	--
Unreserved:				
Undesignated	1,290,086	179,843	1,592,147	3,576,126
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>1,312,164</u>	<u>243,571</u>	<u>1,819,381</u>	<u>3,640,510</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 1,334,076</u>	<u>\$ 256,720</u>	<u>\$ 1,916,020</u>	<u>\$ 3,683,938</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
<b>ASSETS</b>				
Cash and investments	\$1,618,196	\$ 271,531	\$ 40,607	\$ 74,748
Imprest cash	--	--	7,500	--
Interest receivable	1,446	1,041	64	503
Accounts receivable	--	5,181	1,656	--
Taxes receivable	169,637	--	--	--
Due from other agencies	--	--	--	--
Due from other funds	--	--	--	--
Inventories	--	--	--	--
Restricted Assets:				
Cash and investments	--	--	--	--
 Total Assets	<u>\$1,789,279</u>	<u>\$ 277,753</u>	<u>\$ 49,827</u>	<u>\$ 75,251</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 876,469	\$ --	\$ 417	\$ 731
Accrued payroll	--	--	--	2,187
Due to other funds	--	--	--	380
Advances from other funds	--	--	--	--
Deferred revenues	170,548	--	--	--
 Total Liabilities	<u>1,047,017</u>	<u>--</u>	<u>417</u>	<u>3,298</u>
<b>FUND BALANCES</b>				
Reserved:				
Encumbrances	254,836	--	721	--
Inventory	--	--	--	--
Other	--	--	7,500	--
Unreserved:				
Undesignated	487,426	277,753	41,189	71,953
 Total Fund Balances	<u>742,262</u>	<u>277,753</u>	<u>49,410</u>	<u>71,953</u>
 Total Liabilities and Fund Balance	<u>\$1,789,279</u>	<u>\$ 277,753</u>	<u>\$ 49,827</u>	<u>\$ 75,251</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Family Support and Incentive Earnings	Community Infra- Structure
<b>ASSETS</b>				
Cash and investments	\$ 203,807	\$ 6,407,137	\$ 785,809	\$ 25,353,366
Imprest cash	--	--	25,400	--
Interest receivable	1,230	15,394	3,509	59,486
Accounts receivable	--	6,935	425	84,230
Taxes receivable	--	--	--	--
Due from other agencies	187,128	--	--	--
Due from other funds	1,795	52	--	--
Inventories	--	--	--	--
Restricted Assets:				
Cash and investments	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 393,960</u>	<u>\$ 6,429,518</u>	<u>\$ 815,143</u>	<u>\$ 25,497,082</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 58,000	\$ 66,814	\$ 27,900	\$ 46,451
Accrued payroll	35,653	11,269	314,400	--
Due to other funds	250,772	--	25,722	9,340
Advances from other funds	--	--	--	--
Deferred revenues	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>344,425</u>	<u>78,083</u>	<u>368,022</u>	<u>55,791</u>
<b>FUND BALANCES</b>				
Reserved:				
Encumbrances	117,029	391,182	57,694	--
Inventory	--	--	--	--
Other	--	--	25,400	--
Unreserved:				
Undesignated	<u>(67,494)</u>	<u>5,960,253</u>	<u>364,027</u>	<u>25,441,291</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>49,535</u>	<u>6,351,435</u>	<u>447,121</u>	<u>25,441,291</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 393,960</u>	<u>\$ 6,429,518</u>	<u>\$ 815,143</u>	<u>\$ 25,497,082</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Substance Abuse and Crime Prevention	Public Works Special Accounts	Special Districts Under the Board	Total
<b>ASSETS</b>				
Cash and investments	\$ 273,213	\$ 1,746,309	\$ 25,595,074	\$ 112,883,261
Imprest cash	--	--	--	33,275
Interest receivable	1,412	3,931	66,992	262,602
Accounts receivable	401	25,497	274,359	680,407
Taxes receivable	--	--	79,388	539,682
Due from other agencies	--	--	1,154,717	4,702,752
Due from other funds	--	--	--	220,752
Inventories	--	--	--	319,547
Restricted Assets:				
Cash and investments	--	--	100,988	100,988
 Total Assets	<u>\$ 275,026</u>	<u>\$ 1,775,737</u>	<u>\$ 27,271,518</u>	<u>\$ 119,743,266</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 20,245	\$ --	\$ 634,670	\$ 3,917,610
Accrued payroll	5,895	--	9,701	1,275,031
Due to other funds	544	--	1,980,406	2,574,464
Advances from other funds	--	--	4,574,035	4,574,035
Deferred revenues	--	--	108,729	610,097
 Total Liabilities	<u>26,684</u>	<u>--</u>	<u>7,307,541</u>	<u>12,951,237</u>
<b>FUND BALANCES</b>				
Reserved:				
Encumbrances	160,482	--	3,007,409	6,362,186
Inventory	--	--	--	319,547
Other	--	--	--	33,275
Unreserved:				
Undesignated	<u>87,860</u>	<u>1,775,737</u>	<u>16,956,568</u>	<u>100,077,021</u>
 Total Fund Balances	<u>248,342</u>	<u>1,775,737</u>	<u>19,963,977</u>	<u>106,792,029</u>
 Total Liabilities and Fund Balance	<u>\$ 275,026</u>	<u>\$ 1,775,737</u>	<u>\$ 27,271,518</u>	<u>\$ 119,743,266</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009

	<u>Road</u>	<u>Fish and Game</u>	<u>County Facilities Fee Program</u>	<u>Special Districts Settlement Fund</u>
Revenues:				
Taxes	\$ 7,922,966	\$ --	\$ --	\$ --
Licenses and permits	84,391	--	--	--
Aid from other governmental agencies	30,056,145	21,254	--	--
Fines, forfeitures and penalties	--	51,574	--	--
Use of money and property	510,037	3,183	323,877	31,292
Charges for services	699,414	--	1,526,544	--
Miscellaneous	259,315	--	--	--
Total Revenues	<u>39,532,268</u>	<u>76,011</u>	<u>1,850,421</u>	<u>31,292</u>
Expenditures:				
Current:				
Public protection	--	20,394	--	--
Public ways and facilities	12,100,140	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation	--	--	--	--
Capital Outlay	25,541,975	--	--	--
Debt service - interest	--	--	--	--
Total Expenditures	<u>37,642,115</u>	<u>20,394</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,890,153</u>	<u>55,617</u>	<u>1,850,421</u>	<u>31,292</u>
Other Financing Sources (Uses):				
Transfers in	1,042,420	--	--	--
Transfers out	<u>(1,324,638)</u>	<u>(32,996)</u>	<u>(1,413,099)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(282,218)</u>	<u>(32,996)</u>	<u>(1,413,099)</u>	<u>--</u>
Net Change in Fund Balances	1,607,935	22,621	437,322	31,292
Fund Balances, Beginning of Year	<u>24,266,697</u>	<u>276,169</u>	<u>13,090,773</u>	<u>1,287,666</u>
Fund Balances, End of Year	<u>\$ 25,874,632</u>	<u>\$ 298,790</u>	<u>\$ 13,528,095</u>	<u>\$ 1,318,958</u>

Continued



**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009

	Job Training Partnership Act	Rabies Treatment	County Headstart	Road District #1
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 664,467
Licenses and permits	--	74,823	--	--
Aid from other governmental agencies	11,506,142	--	22,793,255	7,360
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	5,050	17,763	193	40,400
Charges for services	434,681	17,852	--	--
Miscellaneous	36,509	1,311	38	--
Total Revenues	<u>11,982,382</u>	<u>111,749</u>	<u>22,793,486</u>	<u>712,227</u>
Expenditures:				
Current:				
Public protection	--	1,334,802	--	--
Public ways and facilities	--	--	--	55,789
Health and sanitation	--	--	--	--
Public assistance	11,113,408	--	23,468,760	--
Education	--	--	--	--
Recreation	--	--	--	--
Capital Outlay	84,504	17,410	--	--
Debt service - interest	--	--	--	--
Total Expenditures	<u>11,197,912</u>	<u>1,352,212</u>	<u>23,468,760</u>	<u>55,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>784,470</u>	<u>(1,240,463)</u>	<u>(675,274)</u>	<u>656,438</u>
Other Financing Sources (Uses):				
Transfers in	--	1,097,494	3,095	--
Transfers out	(292,703)	(7,249)	--	(72,178)
Total Other Financing Sources (Uses)	<u>(292,703)</u>	<u>1,090,245</u>	<u>3,095</u>	<u>(72,178)</u>
Net Change in Fund Balances	491,767	(150,218)	(672,179)	584,260
Fund Balances, Beginning of Year	<u>1,357,744</u>	<u>276,972</u>	<u>(10,244)</u>	<u>1,459,010</u>
Fund Balances, End of Year	<u>\$ 1,849,511</u>	<u>\$ 126,754</u>	<u>\$ (682,423)</u>	<u>\$ 2,043,270</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009

	Road District #2	Road District #3	Road District #4	Road District #5
Revenues:				
Taxes	\$ 689,988	\$ 555,212	\$ 2,730,567	\$ 1,402,719
Licenses and permits	--	--	--	--
Aid from other governmental agencies	8,773	5,100	30,110	15,525
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	25,163	10,230	37,672	82,482
Charges for services	--	--	500	--
Miscellaneous	--	--	326	--
Total Revenues	<u>723,924</u>	<u>570,542</u>	<u>2,799,175</u>	<u>1,500,726</u>
Expenditures:				
Current:				
Public protection	--	--	--	--
Public ways and facilities	160,137	810,377	2,547,082	1,110,353
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation	--	--	--	--
Capital Outlay	--	--	--	--
Debt service - interest	--	--	--	--
Total Expenditures	<u>160,137</u>	<u>810,377</u>	<u>2,547,082</u>	<u>1,110,353</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>563,787</u>	<u>(239,835)</u>	<u>252,093</u>	<u>390,373</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	(49,543)	(154,919)	(263,347)	(205,510)
Total Other Financing Sources (Uses)	<u>(49,543)</u>	<u>(154,919)</u>	<u>(263,347)</u>	<u>(205,510)</u>
Net Change in Fund Balances	514,244	(394,754)	(11,254)	184,863
Fund Balances, Beginning of Year	<u>797,920</u>	<u>638,325</u>	<u>1,830,635</u>	<u>3,455,647</u>
Fund Balances, End of Year	<u>\$ 1,312,164</u>	<u>\$ 243,571</u>	<u>\$ 1,819,381</u>	<u>\$ 3,640,510</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
<b>Revenues:</b>				
Taxes	\$ 5,526,614	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Aid from other governmental agencies	225,506	--	7,496	504,437
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	16,239	9,968	612	8,099
Charges for services	267,630	--	--	--
Miscellaneous	--	44,729	23,751	--
<b>Total Revenues</b>	<b><u>6,035,989</u></b>	<b><u>54,697</u></b>	<b><u>31,859</u></b>	<b><u>512,536</u></b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	--	9,674	16,685	465,647
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	6,231,800	--	--	--
Recreation	--	--	--	--
Capital Outlay	--	--	--	--
Debt service - interest	--	--	--	--
<b>Total Expenditures</b>	<b><u>6,231,800</u></b>	<b><u>9,674</u></b>	<b><u>16,685</u></b>	<b><u>465,647</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(195,811)</u>	<u>45,023</u>	<u>15,174</u>	<u>46,889</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	207,380	--	--	--
Transfers out	--	(180,021)	--	(1,238)
<b>Total Other Financing Sources (Uses)</b>	<b><u>207,380</u></b>	<b><u>(180,021)</u></b>	<b><u>--</u></b>	<b><u>(1,238)</u></b>
Net Change in Fund Balances	11,569	(134,998)	15,174	45,651
Fund Balances, Beginning of Year	<u>730,693</u>	<u>412,751</u>	<u>34,236</u>	<u>26,302</u>
Fund Balances, End of Year	<b><u>\$ 742,262</u></b>	<b><u>\$ 277,753</u></b>	<b><u>\$ 49,410</u></b>	<b><u>\$ 71,953</u></b>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Family Support and Incentive Earnings	Community Infra- Structure
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Aid from other governmental agencies	2,085,569	--	15,142,545	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	22,617	159,997	40,938	605,894
Charges for services	--	739,380	--	1,344,892
Miscellaneous	--	--	82	--
Total Revenues	<u>2,108,186</u>	<u>899,377</u>	<u>15,183,565</u>	<u>1,950,786</u>
Expenditures:				
Current:				
Public protection	3,326,337	905,763	14,969,262	--
Public ways and facilities	--	--	--	1,215,791
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation	--	--	--	--
Capital Outlay	67,611	--	10,481	--
Debt service - interest	--	--	--	--
Total Expenditures	<u>3,393,948</u>	<u>905,763</u>	<u>14,979,743</u>	<u>1,215,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,285,762)</u>	<u>(6,386)</u>	<u>203,822</u>	<u>734,995</u>
Other Financing Sources (Uses):				
Transfers in	--	122,800	--	--
Transfers out	(4,805)	(383,650)	(484,496)	(120,542)
Total Other Financing Sources (Uses)	<u>(4,805)</u>	<u>(260,850)</u>	<u>(484,496)</u>	<u>(120,542)</u>
Net Change in Fund Balances	(1,290,567)	(267,236)	(280,674)	614,453
Fund Balances, Beginning of Year	<u>1,340,102</u>	<u>6,618,671</u>	<u>727,795</u>	<u>24,826,838</u>
Fund Balances, End of Year	<u>\$ 49,535</u>	<u>\$ 6,351,435</u>	<u>\$ 447,121</u>	<u>\$ 25,441,291</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2009

	Substance Abuse and Crime Prevention	Public Works Special Accounts	Special Districts Under the Board	Total
Revenues:				
Taxes	\$ --	\$ --	\$ 2,557,635	\$ 22,050,168
Licenses and permits	--	--	--	159,214
Aid from other governmental agencies	1,651,836	--	436,376	84,497,429
Fines, forfeitures and penalties	--	--	--	51,574
Use of money and property	9,450	38,746	678,178	2,678,080
Charges for services	--	38,700	13,271,098	18,340,691
Miscellaneous	--	118,516	1,116,329	1,600,906
Total Revenues	<u>1,661,286</u>	<u>195,962</u>	<u>18,059,616</u>	<u>129,378,062</u>
Expenditures:				
Current:				
Public protection	--	--	7,659,576	28,708,140
Public ways and facilities	--	--	10,228,366	28,228,035
Health and sanitation	2,201,601	--	--	2,201,601
Public assistance	--	--	875,115	35,457,283
Education	--	--	--	6,231,800
Recreation	--	--	211,231	211,231
Capital Outlay	--	--	969,971	26,691,952
Debt service - interest	--	--	113,257	113,257
Total Expenditures	<u>2,201,601</u>	<u>--</u>	<u>20,057,516</u>	<u>127,843,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(540,315)</u>	<u>195,962</u>	<u>(1,997,900)</u>	<u>1,534,763</u>
Other Financing Sources (Uses):				
Transfers in	328,894	--	446,173	3,248,256
Transfers out	--	--	(958,535)	(5,949,469)
Total Other Financing Sources (Uses)	<u>328,894</u>	<u>--</u>	<u>(512,362)</u>	<u>(2,701,213)</u>
Net Change in Fund Balances	(211,421)	195,962	(2,510,262)	(1,166,450)
Fund Balances, Beginning of Year	<u>459,763</u>	<u>1,579,775</u>	<u>22,474,239</u>	<u>107,958,479</u>
Fund Balances, End of Year	<u>\$ 248,342</u>	<u>\$ 1,775,737</u>	<u>\$ 19,963,977</u>	<u>\$ 106,792,029</u>

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet

Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds

June 30, 2009

	<u>Lighting Districts</u>	<u>Service Areas</u>	<u>Maintenance Districts</u>
<b>ASSETS</b>			
Cash and investments	\$ 516,847	\$ 6,907,484	\$ 7,137,034
Interest receivable	1,546	17,611	18,899
Accounts receivable	47	64,311	53,841
Taxes receivable	7,375	6,809	13,245
Due from other agencies	--	--	--
Restricted Assets:			
Cash and investments	--	100,988	--
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 525,815</u>	<u>\$ 7,097,203</u>	<u>\$ 7,223,019</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 7,158	\$ 299,688	\$ 21,752
Accrued salaries and benefits	--	--	--
Advances from other funds	--	1,212,378	--
Due to other funds	--	411,326	436
Deferred revenues	7,414	8,266	18,419
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>14,572</u>	<u>1,931,658</u>	<u>40,607</u>
 <b>FUND BALANCES</b>			
Reserved:			
Encumbrances	--	560,203	62,210
Unreserved:			
Undesignated	511,243	4,605,342	7,120,202
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>511,243</u>	<u>5,165,545</u>	<u>7,182,412</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	<u>\$ 525,815</u>	<u>\$ 7,097,203</u>	<u>\$ 7,223,019</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds  
 June 30, 2009

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 8,346,646	\$ --	\$ --
Interest receivable	22,456	3	--
Accounts receivable	39,221	5,238	--
Taxes receivable	51,891	68	--
Due from other agencies	22,391	--	--
Restricted Assets:			
Cash and investments	<u>          --</u>	<u>          --</u>	<u>          --</u>
 Total Assets	<u><u>\$ 8,482,605</u></u>	<u><u>\$ 5,309</u></u>	<u><u>\$ --</u></u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 208,748	\$ 821	\$ 4,093
Accrued salaries and benefits	29	--	--
Advances from other funds	--	--	491,002
Due to other funds	42,963	16,410	145,322
Deferred revenues	<u>74,562</u>	<u>68</u>	<u>--</u>
 Total Liabilities	<u>326,302</u>	<u>17,299</u>	<u>640,417</u>
 <b>FUND BALANCES</b>			
Reserved:			
Encumbrances	1,799,385	3,600	121,312
Unreserved:			
Undesignated	<u>6,356,918</u>	<u>(15,590)</u>	<u>(761,729)</u>
 Total Fund Balances	<u>8,156,303</u>	<u>(11,990)</u>	<u>(640,417)</u>
 Total Liabilities and Fund Balances	<u><u>\$ 8,482,605</u></u>	<u><u>\$ 5,309</u></u>	<u><u>\$ --</u></u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)

Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds  
June 30, 2009

	Water & Power Authority	Improvement Districts	IHSS Public Authority	Total
<b>ASSETS</b>				
Cash and investments	\$ 2,558,340	\$ 128,723	\$ --	\$ 25,595,074
Interest receivable	6,182	295	--	66,992
Accounts receivable	--	--	111,701	274,359
Taxes receivable	--	--	--	79,388
Due from other agencies	--	--	1,132,326	1,154,717
Restricted Assets:				
Cash and investments	--	--	--	100,988
 Total Assets	<u>\$ 2,564,522</u>	<u>\$ 129,018</u>	<u>\$ 1,244,027</u>	<u>\$ 27,271,518</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 73,363	\$ --	\$ 19,047	\$ 634,670
Accrued salaries and benefits	29	--	9,643	9,701
Advances from other funds	2,870,655	--	--	4,574,035
Due to other funds	--	--	1,363,949	1,980,406
Deferred revenues	--	--	--	108,729
 Total Liabilities	<u>2,944,047</u>	<u>--</u>	<u>1,392,639</u>	<u>7,307,541</u>
 <b>FUND BALANCES</b>				
Reserved:				
Encumbrances	431,906	--	28,793	3,007,409
Unreserved:				
Undesignated	<u>(811,431)</u>	<u>129,018</u>	<u>(177,405)</u>	<u>16,956,568</u>
 Total Fund Balances	<u>(379,525)</u>	<u>129,018</u>	<u>(148,612)</u>	<u>19,963,977</u>
 Total Liabilities and Fund Balances	<u>\$ 2,564,522</u>	<u>\$ 129,018</u>	<u>\$ 1,244,027</u>	<u>\$ 27,271,518</u>



**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds  
For the Year Ended June 30, 2009

	<u>Lighting Districts</u>	<u>Service Areas</u>	<u>Maintenance Districts</u>
Revenues:			
Taxes	\$ 235,264	\$ 223,867	\$ 433,494
Aid from other governmental agencies	2,632	257,246	4,760
Use of money and property	12,832	185,058	171,984
Charges for services	245,623	4,098,977	4,643,008
Miscellaneous	--	34,319	11,680
	<u>496,351</u>	<u>4,799,467</u>	<u>5,264,926</u>
Expenditures:			
Current:			
Public protection	--	--	--
Public ways and facilities	464,891	4,041,556	4,644,931
Public assistance	--	--	--
Recreation	--	211,231	--
Capital Outlay	--	338,183	76,988
Debt service - interest	--	57,981	--
	<u>464,891</u>	<u>4,648,951</u>	<u>4,721,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,460</u>	<u>150,516</u>	<u>543,007</u>
Other Financing Sources (Uses):			
Transfers in	--	27,354	1,000
Transfers out	(7,300)	(602,220)	(136,900)
	<u>(7,300)</u>	<u>(574,866)</u>	<u>(135,900)</u>
Net Change in Fund Balances	24,160	(424,350)	407,107
Fund Balances, Beginning of Year	<u>487,083</u>	<u>5,589,895</u>	<u>6,775,305</u>
Fund Balances, End of Year	<u>\$ 511,243</u>	<u>\$ 5,165,545</u>	<u>\$ 7,182,412</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)

Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds  
For the Year Ended June 30, 2009

	<u>Flood Control District</u>	<u>Water District</u>	<u>North Eastern San Joaquin Ground Water Banking Authority</u>
Revenues:			
Taxes	\$ 1,662,768	\$ 2,242	\$ --
Aid from other governmental agencies	66,714	24	105,000
Use of money and property	249,804	(38)	(589)
Charges for services	4,230,540	52,950	--
Miscellaneous	12,044	--	--
	<u>6,221,870</u>	<u>55,178</u>	<u>104,411</u>
 Expenditures:			
Current:			
Public protection	7,659,576	--	--
Public ways and facilities	--	65,468	327,642
Public assistance	--	--	--
Recreation	--	--	--
Capital Outlay	548,499	--	--
Debt service - interest	--	--	8,890
	<u>8,208,075</u>	<u>65,468</u>	<u>336,532</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(1,986,205)</u>	 <u>(10,290)</u>	 <u>(232,121)</u>
 Other Financing Sources (Uses):			
Transfers in	417,819	--	200,000
Transfers out	(412,115)	--	--
	<u>5,704</u>	<u>--</u>	<u>200,000</u>
 Net Change in Fund Balances	 (1,980,501)	 (10,290)	 (32,121)
 Fund Balances, Beginning of Year	 <u>10,136,804</u>	 <u>(1,700)</u>	 <u>(608,296)</u>
 Fund Balances, End of Year	 <u><u>\$ 8,156,303</u></u>	 <u><u>\$ (11,990)</u></u>	 <u><u>\$ (640,417)</u></u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)

Nonmajor Special Districts Governed by the Board of Supervisors - Special Revenue Funds  
For the Year Ended June 30, 2009

	Mokelumne Water & Power Authority	Improvement Districts	IHSS Public Authority	Total
<b>Revenues:</b>				
Taxes	\$ --	\$ --	\$ --	\$ 2,557,635
Aid from other governmental agencies	--	--	--	436,376
Use of money and property	63,532	3,051	(7,456)	678,178
Charges for services	--	--	--	13,271,098
Miscellaneous	--	--	1,058,286	1,116,329
<b>Total Revenues</b>	<b>63,532</b>	<b>3,051</b>	<b>1,050,830</b>	<b>18,059,616</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	--	--	--	7,659,576
Public ways and facilities	683,878	--	--	10,228,366
Public assistance	--	--	875,115	875,115
Recreation	--	--	--	211,231
Capital Outlay	--	--	6,301	969,971
Debt service - interest	46,386	--	--	113,257
<b>Total Expenditures</b>	<b>730,264</b>	<b>--</b>	<b>881,416</b>	<b>20,057,516</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(666,732)</b>	<b>3,051</b>	<b>169,414</b>	<b>(1,997,900)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	--	--	--	646,173
Transfers out	--	--	--	(1,158,535)
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(512,362)</b>
<b>Net Change in Fund Balances</b>	<b>(666,732)</b>	<b>3,051</b>	<b>169,414</b>	<b>(2,510,262)</b>
<b>Fund Balances, Beginning of Year</b>	<b>287,207</b>	<b>125,967</b>	<b>(318,026)</b>	<b>22,474,239</b>
<b>Fund Balances, End of Year</b>	<b>\$ (379,525)</b>	<b>\$ 129,018</b>	<b>\$ (148,612)</b>	<b>\$ 19,963,977</b>

## **Debt Service Funds**

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Debt service funds are used to account for financial resources: a) that are restricted or legally limited to expenditure for, or b) that a government has publicly expressed its intention to use for principal and interest payments. Debt service funds are therefore used to report the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 June 30, 2009

		Special Districts Governed By Board			
	1993 Capital Facility Project	Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	Total
<b>ASSETS</b>					
Cash and investments	\$ 8,018,400	\$ 36,883	\$ 10,238	\$ --	\$ 8,065,521
Interest receivable	--	98	27	--	125
Restricted Assets:					
Cash and investments	9,753,166	--	--	626,625	10,379,791
Receivables	60,921	--	--	13,254	74,175
	<u>\$ 17,832,487</u>	<u>\$ 36,981</u>	<u>\$ 10,265</u>	<u>\$ 639,879</u>	<u>\$ 18,519,612</u>
Total Assets					
	<u>\$ 17,832,487</u>	<u>\$ 36,981</u>	<u>\$ 10,265</u>	<u>\$ 639,879</u>	<u>\$ 18,519,612</u>
<b>FUND BALANCES</b>					
Reserved:					
Debt service	<u>\$ 17,832,487</u>	<u>\$ 36,981</u>	<u>\$ 10,265</u>	<u>\$ 639,879</u>	<u>\$ 18,519,612</u>

**COUNTY OF SAN JOAQUIN**

Combining Statements of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended June 30, 2009

	1993 Capital Facility Project	Special Districts Governed By Board			Total
		Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	
Revenues:					
Use of money and property	\$ 671,004	\$ 913	\$ 253	\$ 43,483	\$ 715,653
Charges for services	--	18,144	5,439	--	23,583
Total Revenues	<u>671,004</u>	<u>19,057</u>	<u>5,692</u>	<u>43,483</u>	<u>739,236</u>
Expenditures:					
Debt service:					
Principal retirement	5,995,000	4,000	1,300	--	6,000,300
Interest and debt issuance costs	6,380,103	14,415	4,272	537,064	6,935,854
Total Expenditures	<u>12,375,103</u>	<u>18,415</u>	<u>5,572</u>	<u>537,064</u>	<u>12,936,154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,704,099)</u>	<u>642</u>	<u>120</u>	<u>(493,581)</u>	<u>(12,196,918)</u>
Other Financing Sources (Uses):					
Transfers in	12,374,805	--	--	537,029	12,911,834
Transfers out	<u>(2,371,486)</u>	--	--	<u>(27,354)</u>	<u>(2,398,840)</u>
Total Other Financing Sources	<u>10,003,319</u>	--	--	<u>509,675</u>	<u>10,512,994</u>
Net Change in Fund Balances	(1,700,780)	642	120	16,094	(1,683,924)
Fund balance - beginning	<u>19,533,267</u>	<u>36,339</u>	<u>10,145</u>	<u>623,785</u>	<u>20,203,536</u>
Fund Balances, End of Year	<u>\$ 17,832,487</u>	<u>\$ 36,981</u>	<u>\$ 10,265</u>	<u>\$ 639,879</u>	<u>\$ 18,519,612</u>

## **Capital Projects Funds**

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Capital Projects Funds are used to account for financial resources a) that are restricted or legally limited to expenditure for, or b) that a government has publicly expressed its intention to use for the acquisition construction of major capital facilities. Capital projects funds exclude major capital facilities financed by proprietary funds or in trust funds for individual, private organizations, or other governments.

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**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
Nonmajor Capital Project Funds  
June 30, 2009

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Public Health Construction</u>
<b>ASSETS</b>			
Cash and investments	\$ 229,530	\$ 11,612,965	\$ 1,099,465
Interest receivable	642	26,518	2,540
Accounts receivable	36,173	87,693	--
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 266,345</u>	<u>\$ 11,727,176</u>	<u>\$ 1,102,005</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ --	\$ --	\$ --
<b>FUND BALANCES</b>			
Reserved:			
Encumbrances	--	--	--
Unreserved:			
Undesignated	<u>266,345</u>	<u>11,727,176</u>	<u>1,102,005</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>266,345</u>	<u>11,727,176</u>	<u>1,102,005</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$ 266,345</u>	<u>\$ 11,727,176</u>	<u>\$ 1,102,005</u>

Continued



**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet (continued)  
 Nonmajor Capital Project Funds  
 June 30, 2009

	Airport East Construction	Special Districts Governed by the Board	Total
<b>ASSETS</b>			
Cash and investments	\$ 10,955,583	\$ 4,509,263	\$ 28,406,806
Interest receivable	--	9,379	39,079
Accounts receivable	--	--	123,866
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 10,955,583</u>	<u>\$ 4,518,642</u>	<u>\$ 28,569,751</u>
Accounts payable	\$ 259,728	\$ --	\$ 259,728
<b>FUND BALANCES</b>			
Reserved:			
Encumbrances	10,670,715	--	10,670,715
Unreserved:			
Undesignated	25,140	4,518,642	17,639,308
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,695,855</u>	<u>4,518,642</u>	<u>28,310,023</u>
	<hr/>	<hr/>	<hr/>
	<u>\$ 10,955,583</u>	<u>\$ 4,518,642</u>	<u>\$ 28,569,751</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2009

	Courthouse Construction	Criminal Justice Construction	Public Health Construction
Revenues:			
Fines, forfeitures and penalties	\$ 730,057	\$ 990,162	\$ --
Use of money and property	66,526	261,511	26,144
Charges for services	--	--	--
<b>Total Revenues</b>	<b>796,583</b>	<b>1,251,673</b>	<b>26,144</b>
Expenditures:			
Capital outlay	6,612,194	--	--
<b>Total Expenditures</b>	<b>6,612,194</b>	<b>--</b>	<b>--</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,815,611)	1,251,673	26,144
Other Financing Sources (Uses):			
Transfers in	1,414,194	--	--
Transfers out	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<b>1,414,194</b>	<b>--</b>	<b>--</b>
Net Change in Fund Balances	(4,401,417)	1,251,673	26,144
Fund Balances, Beginning of Year	4,667,762	10,475,503	1,075,861
Fund Balances, End of Year	<u>\$ 266,345</u>	<u>\$ 11,727,176</u>	<u>\$ 1,102,005</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2009

	Airport East Construction	Special Districts Governed by the Board	Total
Revenues:			
Fines, forfeitures and penalties	\$ --	\$ --	\$ 1,720,219
Use of money and property	70,484	99,129	523,794
Charges for services	--	10,258	10,258
<b>Total Revenues</b>	<b>70,484</b>	<b>109,387</b>	<b>2,254,271</b>
Expenditures:			
Capital outlay	2,329,285	--	8,941,479
<b>Total Expenditures</b>	<b>2,329,285</b>	<b>--</b>	<b>8,941,479</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,258,801)	109,387	(6,687,208)
Other Financing Sources (Uses):			
Transfers in	--	409,034	1,823,228
Transfers out	--	(418,819)	(418,819)
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>(9,785)</b>	<b>1,404,409</b>
Net Change in Fund Balances	(2,258,801)	99,602	(5,282,799)
Fund Balances, Beginning of Year	12,954,656	4,419,040	33,592,822
Fund Balances, End of Year	<u>\$ 10,695,855</u>	<u>\$ 4,518,642</u>	<u>\$ 28,310,023</u>

# COUNTY OF SAN JOAQUIN

## Combining Balance Sheet

Nonmajor Special Districts Governed by the Board of Supervisors - Capital Project Funds

June 30, 2009

	<u>Improvement Districts</u>	<u>Lighting Districts</u>	<u>Maintenance Districts</u>
<b>ASSETS</b>			
Cash and investments	\$ 976,045	\$ 115,442	\$ 2,077,107
Interest receivable	<u>2,253</u>	<u>240</u>	<u>4,412</u>
Total Assets	<u><u>\$ 978,298</u></u>	<u><u>\$ 115,682</u></u>	<u><u>\$ 2,081,519</u></u>
<b>FUND BALANCES</b>			
Unreserved:			
Undesignated	<u>\$ 978,298</u>	<u>\$ 115,682</u>	<u>\$ 2,081,519</u>
Total Fund Balances	<u><u>\$ 978,298</u></u>	<u><u>\$ 115,682</u></u>	<u><u>\$ 2,081,519</u></u>

Continued

# COUNTY OF SAN JOAQUIN

## Combining Balance Sheet (continued)

Nonmajor Special Districts Governed by the Board of Supervisors - Capital Project Funds  
June 30, 2009

	<u>County Service Areas</u>	<u>Flood Control</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,140,209	\$ 200,460	\$ 4,509,263
Interest receivable	2,474	--	9,379
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 1,142,683</u>	<u>\$ 200,460</u>	<u>\$ 4,518,642</u>
<b>FUND BALANCES</b>			
Unreserved:			
Undesignated	<u>\$ 1,142,683</u>	<u>\$ 200,460</u>	<u>\$ 4,518,642</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 1,142,683</u>	<u>\$ 200,460</u>	<u>\$ 4,518,642</u>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Districts Governed by the Board of Supervisors - Capital Project Funds  
For the Year Ended June 30, 2009

	Improvement Districts	Lighting Districts	Maintenance Districts
Revenues:			
Use of money and property	\$ 23,077	\$ 2,551	\$ 45,911
Charges for services	10,258	--	--
Total Revenues	33,335	2,551	45,911
Expenditures:			
Public ways and facilities	--	--	--
Total Expenditures	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,335	2,551	45,911
Other Financing Sources (Uses):			
Transfers in	--	7,300	136,900
Transfers out	--	--	(1,000)
Total Other Financing Sources (Uses)	--	7,300	135,900
Net Change in Fund Balances	33,335	9,851	181,811
Fund Balance, Beginning of Year	944,963	105,831	1,899,708
Fund Balance, End of Year	\$ 978,298	\$ 115,682	\$ 2,081,519

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statements of Revenues, Expenditures  
and Changes in Fund Balances (continued)

Nonmajor Special Districts Governed by the Board of Supervisors - Capital Project Funds  
For the Year Ended June 30, 2009

	<u>County Service Areas</u>	<u>Flood Control</u>	<u>Total</u>
Revenues:			
Use of money and property	\$ 25,673	\$ 1,917	\$ 99,129
Charges for services	<u>          --</u>	<u>          --</u>	<u>10,258</u>
Total Revenues	<u>25,673</u>	<u>1,917</u>	<u>109,387</u>
Expenditures:			
Public ways and facilities	<u>          --</u>	<u>          --</u>	<u>          --</u>
Total Expenditures	<u>          --</u>	<u>          --</u>	<u>          --</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,673</u>	<u>1,917</u>	<u>109,387</u>
Other Financing Sources (Uses):			
Transfers in	64,834	200,000	409,034
Transfers out	<u>          --</u>	<u>(417,819)</u>	<u>(418,819)</u>
Total Other Financing Sources (Uses)	<u>64,834</u>	<u>(217,819)</u>	<u>(9,785)</u>
Net Change in Fund Balances	90,507	(215,902)	99,602
Fund Balance, Beginning of Year	<u>1,052,176</u>	<u>416,362</u>	<u>4,419,040</u>
Fund Balance, End of Year	<u><u>\$ 1,142,683</u></u>	<u><u>\$ 200,460</u></u>	<u><u>\$ 4,518,642</u></u>

## **Internal Service Funds**

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Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost-reimbursement basis.

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**COUNTY OF SAN JOAQUIN**

Combining Statement of Fund Net Assets  
Internal Service Funds  
As of June 30, 2009

	<u>Fleet Services</u>	<u>Office Automation</u>	<u>Central Telephone</u>	<u>Southern Water System</u>
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 16,435,146	\$ 545,258	\$ 1,906,214	\$ 318,231
Imprest cash	40	--	--	--
Interest receivable	37,858	1,008	6,446	820
Due from other funds	1,036,716	86,178	377,972	--
Due from external parties	8,372	1,388	46,424	57,335
Due from other governments	--	--	--	--
Prepaid expenses	--	15,188	--	--
Inventories	513,610	--	109,728	--
Total Current Assets	<u>18,031,742</u>	<u>649,020</u>	<u>2,446,784</u>	<u>376,386</u>
Non-current Assets:				
Capital Assets:				
Non-depreciable	--	--	--	17,481
Depreciable, net	7,198,106	2,183,808	1,521,181	222,627
Total Noncurrent Assets	<u>7,198,106</u>	<u>2,183,808</u>	<u>1,521,181</u>	<u>240,108</u>
Total Assets	<u>\$ 25,229,848</u>	<u>\$ 2,832,828</u>	<u>\$ 3,967,965</u>	<u>\$ 616,494</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 182,251	\$ 255,656	\$ 145,561	\$ --
Accrued expenses	--	12,452	--	--
Accrued payroll	64,103	--	21,685	--
Due to other funds	2,940	3,370	20,588	--
Compensated absences	160,458	--	53,036	--
Current portion of capital leases	--	813,498	--	--
Current portion of notes payable	--	--	--	--
Total Current Liabilities	<u>409,752</u>	<u>1,084,976</u>	<u>240,870</u>	<u>--</u>
Long-Term Liabilities:				
Advances from other funds	--	--	--	343,259
Compensated absences	8,468	--	4,287	--
Capital lease obligations	--	1,216,670	--	--
Claims liability	--	--	--	--
Notes payable	--	--	--	--
OPEB liability	171,479	--	44,749	--
Total Liabilities	<u>589,699</u>	<u>2,301,646</u>	<u>289,906</u>	<u>343,259</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	7,198,106	153,640	1,521,181	240,108
Unrestricted	17,442,043	377,542	2,156,878	33,127
Total Net Assets	<u>24,640,149</u>	<u>531,182</u>	<u>3,678,059</u>	<u>273,235</u>
Total Liabilities and Net Assets	<u>\$ 25,229,848</u>	<u>\$ 2,832,828</u>	<u>\$ 3,967,965</u>	<u>\$ 616,494</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Fund Net Assets (continued)  
Internal Service Funds  
As of June 30, 2009

	<u>Radio Communi- cations</u>	<u>Purchasing ISF</u>	<u>Casualty Insurance</u>	<u>Workers' Compensation Insurance</u>
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 2,607,591	\$ 953,177	\$ 20,457,856	\$ 47,703,926
Imprest cash	--	--	--	--
Interest receivable	5,050	1,832	48,016	115,600
Due from other funds	--	128,244	--	--
Due from external parties	--	13,915	2,231	417
Due from other governments	--	--	--	13,832
Prepaid expenses	--	213,530	289,472	250,000
Inventories	--	--	--	--
Total Current Assets	<u>2,612,641</u>	<u>1,310,698</u>	<u>20,797,575</u>	<u>48,083,775</u>
Non-current Assets:				
Capital Assets:				
Non-depreciable	--	--	--	--
Depreciable, net	4,010,093	--	--	3,311
Total Noncurrent Assets	<u>4,010,093</u>	<u>--</u>	<u>--</u>	<u>3,311</u>
Total Assets	<u>\$ 6,622,734</u>	<u>\$ 1,310,698</u>	<u>\$ 20,797,575</u>	<u>\$ 48,087,086</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 79,894	\$ 846,578	\$ 451,502	\$ 1,452,103
Accrued expenses	5,595	--	71,080	--
Accrued payroll	--	--	--	--
Due to other funds	--	--	649,491	315
Compensated absences	--	--	--	--
Current portion of capital leases	300,183	--	--	--
Current portion of notes payable	--	--	54,574	--
Total Current Liabilities	<u>385,672</u>	<u>846,578</u>	<u>1,226,647</u>	<u>1,452,418</u>
Long-Term Liabilities:				
Advances from other funds	--	--	--	--
Compensated absences	--	--	--	--
Capital lease obligations	1,205,232	--	--	--
Claims liability	--	--	19,525,000	33,098,000
Notes payable	--	--	1,748,722	--
OPEB liability	--	--	--	--
Total Liabilities	<u>1,590,904</u>	<u>846,578</u>	<u>22,500,369</u>	<u>34,550,418</u>
Net Assets				
Invested in capital assets, net of related debt	2,504,678	--	--	3,311
Unrestricted	2,527,152	464,120	(1,702,794)	13,533,357
Total Net Assets	<u>5,031,830</u>	<u>464,120</u>	<u>(1,702,794)</u>	<u>13,536,668</u>
Total Liabilities and Net Assets	<u>\$ 6,622,734</u>	<u>\$ 1,310,698</u>	<u>\$ 20,797,575</u>	<u>\$ 48,087,086</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Fund Net Assets (continued)  
Internal Service Funds  
As of June 30, 2009

	Medical Insurance	Dental Insurance	Unemployment Insurance	Total
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 35,327,799	\$ 2,039,137	\$ 4,117,634	\$ 132,411,969
Imprest cash	--	--	--	40
Interest receivable	84,894	4,952	19,378	325,854
Due from other funds	--	--	--	1,629,110
Due from external parties	--	--	--	130,082
Due from other governments	934,754	131,464	54,647	1,134,697
Prepaid expenses	--	--	(4,462)	763,728
Inventories	--	--	--	623,338
Total Current Assets	<u>36,347,447</u>	<u>2,175,553</u>	<u>4,187,197</u>	<u>137,018,818</u>
Non-current Assets:				
Capital Assets:				
Non-depreciable	--	--	--	17,481
Depreciable, net	--	--	--	15,139,126
Total Noncurrent Assets	--	--	--	15,156,607
Total Assets	<u>\$ 36,347,447</u>	<u>\$ 2,175,553</u>	<u>\$ 4,187,197</u>	<u>\$ 152,175,425</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 376,536	\$ 925,093	\$ --	\$ 4,715,174
Accrued expenses	--	--	--	89,127
Accrued payroll	--	--	--	85,788
Due to other funds	19,220	--	--	695,924
Compensated absences	--	--	--	213,494
Current portion of capital leases	--	--	--	1,113,681
Current portion of notes payable	--	--	--	54,574
Total Current Liabilities	<u>395,756</u>	<u>925,093</u>	<u>--</u>	<u>6,967,762</u>
Long-Term Liabilities:				
Advances from other funds	--	--	--	343,259
Compensated absences	--	--	--	12,755
Capital lease obligations	--	--	--	2,421,902
Claims liability	6,585,444	321,064	294,324	59,823,832
Notes payable	--	--	--	1,748,722
OPEB liability	--	--	--	216,228
Total Liabilities	<u>6,981,200</u>	<u>1,246,157</u>	<u>294,324</u>	<u>71,534,460</u>
Net Assets				
Invested in capital assets, net of related debt	--	--	--	11,621,024
Unrestricted	<u>29,366,247</u>	<u>929,396</u>	<u>3,892,873</u>	<u>69,019,941</u>
Total Net Assets	<u>29,366,247</u>	<u>929,396</u>	<u>3,892,873</u>	<u>80,640,965</u>
Total Liabilities and Net Assets	<u>\$ 36,347,447</u>	<u>\$ 2,175,553</u>	<u>\$ 4,187,197</u>	<u>\$ 152,175,425</u>

## COUNTY OF SAN JOAQUIN

### Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended June 30, 2009

	Fleet Services	Office Automation	Central Telephone	Southern Water System	Radio Communi- cations
Operating Revenues:					
Charges for services	\$ --	\$ --	\$ --	\$ 50,946	\$ --
Equipment rental	8,076,554	1,112,038	35,022	--	271,212
User fees	3,327,665	192,096	6,052,207	--	1,384,504
Intergovernmental	184,000	--	--	--	--
Other	304,345	--	--	--	--
<b>Total Operating Revenues</b>	<b>11,892,564</b>	<b>1,304,134</b>	<b>6,087,229</b>	<b>50,946</b>	<b>1,655,716</b>
Operating Expenses:					
Liability claims and loss adjustment	--	--	--	--	--
Salaries and benefits	2,695,645	--	996,155	--	--
Insurance	--	--	--	--	--
Services and supplies	5,451,568	400,936	5,017,684	--	926,892
Depreciation and amortization	1,368,888	741,674	151,383	78,458	546,292
Miscellaneous	15,504	--	--	--	--
<b>Total Operating Expenses</b>	<b>9,531,605</b>	<b>1,142,610</b>	<b>6,165,222</b>	<b>78,458</b>	<b>1,473,184</b>
<b>Operating Income (Loss)</b>	<b>2,360,959</b>	<b>161,524</b>	<b>(77,993)</b>	<b>(27,512)</b>	<b>182,532</b>
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of equipment	(1,576)	--	--	--	--
Interest income	364,365	8,081	68,491	6,562	49,706
Interest expense	--	(121,280)	--	(27,454)	(61,020)
Insurance recovery	22,655	--	--	--	--
<b>Total Non-Operating Revenues (Expenses)</b>	<b>385,444</b>	<b>(113,199)</b>	<b>68,491</b>	<b>(20,892)</b>	<b>(11,314)</b>
<b>Net Income (Loss) Before Transfers and Contributions</b>	<b>2,746,403</b>	<b>48,325</b>	<b>(9,502)</b>	<b>(48,404)</b>	<b>171,218</b>
Transfers in	528,638	--	--	--	--
Transfers out	--	--	(2,683)	--	--
<b>Change in Net Assets</b>	<b>3,275,041</b>	<b>48,325</b>	<b>(12,185)</b>	<b>(48,404)</b>	<b>171,218</b>
<b>Net Assets - Beginning of Year</b>	<b>21,365,108</b>	<b>482,857</b>	<b>3,690,244</b>	<b>321,639</b>	<b>4,860,612</b>
<b>Net Assets - End of Year</b>	<b>\$ 24,640,149</b>	<b>\$ 531,182</b>	<b>\$ 3,678,059</b>	<b>\$ 273,235</b>	<b>\$ 5,031,830</b>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	Purchasing ISF	Casualty Insurance	Workers' Compensation Insurance	Medical Insurance
Operating Revenues:				
Charges for services	\$ --	\$ 9,370,309	\$ 14,281,000	\$ 42,055,308
Equipment rental	--	--	--	--
User fees	6,314,859	--	--	258,843
Intergovernmental	--	--	--	--
Other	--	2,251	--	--
<b>Total Operating Revenues</b>	<b>6,314,859</b>	<b>9,372,560</b>	<b>14,281,000</b>	<b>42,314,151</b>
Operating Expenses:				
Liability claims and loss adjustment	--	8,969,156	9,653,350	42,896,647
Salaries and benefits	--	--	--	--
Insurance	--	1,173,537	1,896,658	--
Services and supplies	6,335,706	1,692,113	1,963,593	2,089,155
Depreciation and amortization	--	--	2,142	--
Miscellaneous	--	--	--	--
<b>Total Operating Expenses</b>	<b>6,335,706</b>	<b>11,834,806</b>	<b>13,515,743</b>	<b>44,985,802</b>
<b>Operating Income (Loss)</b>	<b>(20,847)</b>	<b>(2,462,246)</b>	<b>765,257</b>	<b>(2,671,651)</b>
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	--	--	--	--
Interest income	20,847	429,396	1,190,827	926,760
Interest expense	--	(77,729)	--	--
Insurance recovery	--	--	--	--
<b>Total Non-Operating Revenues (Expenses)</b>	<b>20,847</b>	<b>351,667</b>	<b>1,190,827</b>	<b>926,760</b>
<b>Net Income (Loss) Before Transfers and Contributions</b>	<b>--</b>	<b>(2,110,579)</b>	<b>1,956,084</b>	<b>(1,744,891)</b>
Transfers in	--	--	--	--
Transfers out	--	--	--	--
<b>Change in Net Assets</b>	<b>--</b>	<b>(2,110,579)</b>	<b>1,956,084</b>	<b>(1,744,891)</b>
<b>Net Assets - Beginning of Year</b>	<b>464,120</b>	<b>407,785</b>	<b>11,580,584</b>	<b>31,111,138</b>
<b>Net Assets - End of Year</b>	<b>\$ 464,120</b>	<b>\$ (1,702,794)</b>	<b>\$ 13,536,668</b>	<b>\$ 29,366,247</b>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	Dental Insurance	Unemployment Insurance	Total
Operating Revenues:			
Charges for services	\$ 5,027,021	\$ 1,149,935	\$ 71,934,519
Equipment rental	--	--	9,494,826
User fees	--	--	17,530,174
Intergovernmental	--	--	184,000
Other	--	--	306,596
<b>Total Operating Revenues</b>	<b>5,027,021</b>	<b>1,149,935</b>	<b>99,450,115</b>
Operating Expenses:			
Liability claims and loss adjustment	5,168,668	1,158,516	67,846,337
Salaries and benefits	--	--	3,691,800
Insurance	--	--	3,070,195
Services and supplies	375,972	11,910	24,265,529
Depreciation and amortization	--	--	2,888,837
Miscellaneous	--	--	15,504
<b>Total Operating Expenses</b>	<b>5,544,640</b>	<b>1,170,426</b>	<b>101,778,202</b>
Operating Income (Loss)	<b>(517,619)</b>	<b>(20,491)</b>	<b>(2,328,087)</b>
Non-Operating Revenues (Expenses):			
Gain (loss) on sale of equipment	--	--	(1,576)
Interest income	56,706	109,485	3,231,226
Interest expense	--	--	(287,483)
Insurance recovery	--	--	22,655
<b>Total Non-Operating Revenues (Expenses)</b>	<b>56,706</b>	<b>109,485</b>	<b>2,964,822</b>
Net Income (Loss) Before Transfers and Contributions	(460,913)	88,994	636,735
Transfers in	--	--	528,638
Transfers out	--	--	(2,683)
Change in Net Assets	(460,913)	88,994	1,162,690
Net Assets - Beginning of Year	1,390,309	3,803,879	79,478,275
Net Assets - End of Year	\$ 929,396	\$ 3,892,873	\$ 80,640,965

**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2009

	Fleet Services	Office Automation	Central Telephone	Southern Water System
<b>Cash Flows from Operating Activities:</b>				
Cash received from user departments	\$ 11,494,088	\$ 1,122,688	\$ 6,107,660	\$ 165,616
Cash payments to suppliers for goods and services	(5,013,209)	(370,967)	(4,979,610)	--
Cash payments to employees for services	(2,603,419)	--	(969,902)	--
Cash paid to County departments for services	(586,145)	29,962	(160,812)	--
Other operating revenues	304,345	105,246	--	--
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,595,660</b>	<b>886,929</b>	<b>(2,664)</b>	<b>165,616</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State and federal grant receipts	184,000	--	--	--
Transfers in (out)	528,638	--	(2,683)	--
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>712,638</b>	<b>--</b>	<b>(2,683)</b>	<b>--</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	(2,352,415)	--	(1,136,077)	--
Debt interest payments	--	(122,481)	--	(27,454)
Debt principal payments	--	(790,006)	--	(29,881)
Proceeds from sale of capital assets	94,423	--	--	--
Receipts from insurance recovery	22,655	--	--	--
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b>(2,235,337)</b>	<b>(912,487)</b>	<b>(1,136,077)</b>	<b>(57,335)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	426,458	9,626	85,321	7,492
<b>Net Cash Provided by Investing Activities</b>	<b>426,458</b>	<b>9,626</b>	<b>85,321</b>	<b>7,492</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,499,419</b>	<b>(15,932)</b>	<b>(1,056,103)</b>	<b>115,773</b>
Cash and Cash Equivalents, Beginning of Year	13,935,767	561,190	2,962,317	202,458
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 16,435,186</b>	<b>\$ 545,258</b>	<b>\$ 1,906,214</b>	<b>\$ 318,231</b>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	Radio Communi- cations	Purchasing ISF	Casualty Insurance	Workers' Compensation Insurance
<b>Cash Flows from Operating Activities:</b>				
Cash received from user departments	\$ 1,655,813	\$ 6,295,604	\$ 9,596,722	\$ 14,270,222
Cash payments to suppliers for goods and services	(1,055,032)	(6,250,807)	(10,426,338)	(10,756,249)
Cash payments to employees for services	--	--	--	--
Cash paid to County departments for services	5,189	(203,566)	(1,417,267)	(1,783,051)
Other operating revenues	--	--	4,656,000	3,361,000
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>605,970</b>	<b>(158,769)</b>	<b>2,409,117</b>	<b>5,091,922</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State and federal grant receipts	--	--	--	--
Transfers in (out)	--	--	--	--
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	(27,436)	--	--	--
Debt interest payments	(61,082)	--	(79,791)	--
Debt principal payments	(216,014)	--	(52,324)	--
Proceeds from sale of capital assets	--	--	--	--
Receipts from insurance recovery	--	--	--	--
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b>(304,532)</b>	<b>--</b>	<b>(132,115)</b>	<b>--</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	56,612	24,957	521,891	1,390,283
<b>Net Cash Provided by Investing Activities</b>	<b>56,612</b>	<b>24,957</b>	<b>521,891</b>	<b>1,390,283</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>358,050</b>	<b>(133,812)</b>	<b>2,798,893</b>	<b>6,482,205</b>
Cash and Cash Equivalents, Beginning of Year	2,249,541	1,086,989	17,658,963	41,221,721
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,607,591</b>	<b>\$ 953,177</b>	<b>\$ 20,457,856</b>	<b>\$ 47,703,926</b>

Continued



**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows (continued)

Internal Service Funds

For the Year Ended June 30, 2009

	Medical Insurance	Dental Insurance	Unemployment Insurance	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from user departments	\$ 42,274,945	\$ 5,006,589	\$ 1,119,447	99,109,394
Cash payments to suppliers for goods and services	(44,162,143)	(5,462,328)	(1,115,570)	(89,592,253)
Cash payments to employees for services	--	--	--	(3,573,321)
Cash paid to County departments for services	(553,569)	(80,171)	(2,986)	(4,752,416)
Other operating revenues	133,422	(22,317)	--	8,537,696
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(2,307,345)</b>	<b>(558,227)</b>	<b>891</b>	<b>9,729,100</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State and federal grant receipts	--	--	--	184,000
Transfers in (out)	--	--	--	525,955
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>709,955</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	--	--	--	(3,515,928)
Debt interest payments	--	--	--	(290,808)
Debt principal payments	--	--	--	(1,088,225)
Proceeds from sale of capital assets	--	--	--	94,423
Receipts from insurance recovery	--	--	--	22,655
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(4,777,883)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	1,102,020	70,892	119,205	3,814,757
<b>Net Cash Provided by Investing Activities</b>	<b>1,102,020</b>	<b>70,892</b>	<b>119,205</b>	<b>3,814,757</b>
Increase (Decrease) in Cash and Cash Equivalents	(1,205,325)	(487,335)	120,096	9,475,929
Cash and Cash Equivalents, Beginning of Year	36,533,124	2,526,472	3,997,538	122,936,080
Cash and Cash Equivalents, End of Year	<u>\$ 35,327,799</u>	<u>\$ 2,039,137</u>	<u>\$ 4,117,634</u>	<u>\$ 132,412,009</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows (continued)

Internal Service Funds

For the Year Ended June 30, 2009

	Fleet Services	Office Automation	Central Telephone	Southern Water System
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,176,959	\$ 161,524	\$ (77,993)	\$ (27,512)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	1,368,888	741,674	151,383	78,458
(Increase) decrease in accounts receivable	89,869	(87,566)	20,431	114,670
(Increase) decrease in inventories	(6,406)	--	1,585	--
(Increase) decrease in prepaid expenses	--	11,367	--	--
Increase (decrease) in accounts payable	(120,176)	59,930	(120,974)	--
Increase (decrease) in OPEB liability	86,526		22,904	
Increase (decrease) in claims liability	--	--	--	--
	<u>\$ 3,595,660</u>	<u>\$ 886,929</u>	<u>\$ (2,664)</u>	<u>\$ 165,616</u>
Net Cash Provided (Used) by Operating Activities				

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows (continued)

Internal Service Funds

For the Year Ended June 30, 2009

	Radio Communi- cations	Copier/ Credit Card	Casualty Insurance	Workers' Compensation Insurance
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 182,532	\$ (20,847)	\$ (2,462,246)	\$ 765,257
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	546,292	--	--	2,142
(Increase) decrease in accounts receivable	97	194,275	224,162	(10,778)
(Increase) decrease in inventories	--	--	--	--
(Increase) decrease in prepaid expenses	--	(213,530)	66,865	--
Increase (decrease) in accounts payable	(122,951)	(118,667)	(75,664)	974,301
Increase (decrease) in OPEB liability	--	--	--	--
Increase (decrease) in claims liability	--	--	4,656,000	3,361,000
	<u>\$ 605,970</u>	<u>\$ (158,769)</u>	<u>\$ 2,409,117</u>	<u>\$ 5,091,922</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 605,970</u>	<u>\$ (158,769)</u>	<u>\$ 2,409,117</u>	<u>\$ 5,091,922</u>

Continued

**COUNTY OF SAN JOAQUIN**

Combining Statement of Cash Flows (continued)

Internal Service Funds

For the Year Ended June 30, 2009

	Medical Insurance	Dental Insurance	Unemployment Insurance	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,671,651)	\$ (517,619)	\$ (20,491)	\$ (2,512,087)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	--	--	--	2,888,837
(Increase) decrease in accounts receivable	(39,206)	(20,432)	(30,488)	455,034
(Increase) decrease in inventories	--	--	--	(4,821)
(Increase) decrease in prepaid expenses	--	--	4,462	(130,836)
Increase (decrease) in accounts payable	270,091	2,140	(2,231)	745,799
Increase (decrease) in OPEB liability	--	--	--	109,430
Increase (decrease) in claims liability	133,421	(22,316)	49,639	8,177,744
	<u>\$ (2,307,345)</u>	<u>\$ (558,227)</u>	<u>\$ 891</u>	<u>\$ 9,729,100</u>
Net Cash Provided (Used) by Operating Activities				

## **Private Purpose Trust Funds**

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Private Purpose Trust Funds are used to report various federal-sponsored community development loan programs and other private trust agreements. None of the resources of these funds are used to support governmental programs.

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**COUNTY OF SAN JOAQUIN**

Combining Statement of Fiduciary Net Assets  
Private Purpose Trust Funds  
June 30, 2009

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	NSP Revolving Loan Fund	Total
<u>Assets</u>							
Cash and investments	\$ 904,427	\$ --	\$ --	\$ 3,897,438	\$ 117,218	\$ --	\$ 4,919,083
Cash and investments held by others	--	4,170,054	--	--	--	--	4,170,054
Investment income receivables	2,111	4,096	747	9,066	(135)	--	15,885
Due from other governments	--	--	647,471	--	--	--	647,471
Loans receivable	--	4,857,857	17,519,216	9,160,443	1,161,845	--	32,699,361
<b>Total Assets</b>	<b>\$ 906,538</b>	<b>\$ 9,032,007</b>	<b>\$ 18,167,434</b>	<b>\$ 13,066,947</b>	<b>\$ 1,278,928</b>	<b>\$ --</b>	<b>\$ 42,451,854</b>
<u>Liabilities</u>							
Accounts payable	\$ --	\$ 850	\$ 157,233	\$ --	\$ --	\$ --	\$ 158,083
Due to other governments	--	--	53,279	--	--	5,172	58,451
<b>Total Liabilities</b>	<b>--</b>	<b>850</b>	<b>210,512</b>	<b>--</b>	<b>--</b>	<b>5,172</b>	<b>216,534</b>
<u>Net Assets</u>							
Held in trust for:							
Revolving loans	--	9,271,878	17,519,216	9,160,443	1,161,845	--	37,113,382
Other purposes	906,538	(240,721)	437,706	3,906,504	117,083	(5,172)	5,121,938
<b>Total Net Assets</b>	<b>906,538</b>	<b>9,031,157</b>	<b>17,956,922</b>	<b>13,066,947</b>	<b>1,278,928</b>	<b>(5,172)</b>	<b>42,235,320</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 906,538</b>	<b>\$ 9,032,007</b>	<b>\$ 18,167,434</b>	<b>\$ 13,066,947</b>	<b>\$ 1,278,928</b>	<b>\$ --</b>	<b>\$ 42,451,854</b>

**COUNTY OF SAN JOAQUIN**

Combining Statement of Changes in Fiduciary Net Assets  
Private Purpose Trust Funds  
For the Year Ended June 30, 2009

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Loan Program	NSP Revolving Loan Fund	Total
Additions:							
Contributions from other governments	\$ --	\$ --	\$ 2,381,831	\$ 221,229	\$ 1,083,275	\$ --	\$ 3,686,335
Investment income	22,183	358,528	44,765	145,931	(1,807)	(12)	569,588
Miscellaneous income	--	15,069	25	1,563	--	--	16,657
<b>Total additions</b>	<b>22,183</b>	<b>373,597</b>	<b>2,426,621</b>	<b>368,723</b>	<b>1,081,468</b>	<b>(12)</b>	<b>4,272,580</b>
Deductions:							
Benefit payments	43,411	--	--	--	--	--	43,411
Program expenses	--	19,827	684,167	183,149	--	--	887,143
Allowance for loan adjustments	--	(55,285)	348,513	--	--	--	293,228
Loan servicing fees	--	12,902	--	--	--	--	12,902
Administrative expenses	--	434,327	261,754	85,650	(19,549)	--	762,182
<b>Total deductions</b>	<b>43,411</b>	<b>411,771</b>	<b>1,294,434</b>	<b>268,799</b>	<b>(19,549)</b>	<b>--</b>	<b>1,998,866</b>
Change in net assets	(21,228)	(38,174)	1,132,187	99,924	1,101,017	(12)	2,273,714
Net assets, beginning	927,766	9,069,331	16,824,735	12,967,023	177,911	(5,160)	39,961,606
Net assets, ending	<u>\$ 906,538</u>	<u>\$ 9,031,157</u>	<u>\$ 17,956,922</u>	<u>\$ 13,066,947</u>	<u>\$ 1,278,928</u>	<u>\$ (5,172)</u>	<u>\$ 42,235,320</u>

## **Agency Funds**

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Agency Funds are used to account for the assets and liabilities of various clearing accounts for which the County's role is purely custodial.

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**COUNTY OF SAN JOAQUIN**

Statement of Changes in Assets and Liabilities  
Arising From Cash Transactions  
All Agency Funds  
For the Year Ended June 30, 2009

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2009</u>
<u>Assets</u>				
Cash and investments - pooled	\$ 40,625,720	\$ 623,427,449	\$ 633,956,439	\$ 30,096,730
Cash and investments held by others	3,915,968	27,027,988	26,328,911	4,615,045
Receivables	22,576,864	27,192,768	22,576,864	27,192,768
Loans receivable	53,000,000	54,000,000	53,000,000	54,000,000
Other assets	387,422	--	62,123	325,299
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 120,505,974</u>	<u>\$ 731,648,205</u>	<u>\$ 735,924,337</u>	<u>\$ 116,229,842</u>
<u>Liabilities</u>				
Accounts payable	\$ 31,448,644	\$ --	\$ 7,915,786	\$ 23,532,858
Due to other agencies	89,037,330	731,648,205	728,008,551	92,676,984
Loan payable	20,000	--	--	20,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 120,505,974</u>	<u>\$ 731,648,205</u>	<u>\$ 735,924,337</u>	<u>\$ 116,229,842</u>

# **COMPONENT UNIT FINANCIAL STATEMENTS**

## **County Service Area No. 31 Flag City**

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County Service Area No. 31 – Flag City financial statements (part of the governmental funds) provide an overall financial picture of the Service Area as a whole. It presents the general operational fund, the sewer service fund, and the capital outlay fund at the basic fund level and the district-wide level. The general operational fund and the sewer service fund are reported as special revenue funds and the capital outlay fund is reported as a capital outlay fund. Both the special revenue fund and the capital outlay fund are part of the Nonmajor governmental funds. The reconciliation from the governmental funds on the basic fund level to the district-wide level is presented in the face of the following financial statements.

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# COUNTY OF SAN JOAQUIN

## Statement of Net Assets County Service Area #31 - Flag City June 30, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Pooled cash and investments	\$ 980,471
Accounts receivable	27,641
Interest receivable	1,922
Restricted assets:	
Cash and investments	727,613
Interest receivable	13,254
Capital assets:	
Depreciable, net	<u>7,484,731</u>
 Total Assets	 <u><u>\$ 9,235,632</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 1,734
Advances from other County funds	1,179,378
Long-term liabilities:	
Certificates of participation:	
Due within one year	125,000
Due beyond one year	8,210,812
Payable from restricted assets:	
Accrued interest	<u>229,482</u>
Total Liabilities	<u>9,746,406</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(211,203)
Restricted for debt service	626,625
Unrestricted	<u>(926,196)</u>
Total Net Assets	<u>(510,774)</u>
 Total Liabilities and Net Assets	 <u><u>\$ 9,235,632</u></u>

# COUNTY OF SAN JOAQUIN

## Statement of Activities County Service Area #31 - Flag City For the Year Ended June 30, 2009

	<u>Governmental Activities</u>
<b>Program Expenses:</b>	
Public Ways and Facilities:	
Professional services	\$ 175,082
Utilities	18,705
Communication	204
Office expenses	192
Special expenses	2,622
Maintenance	5,662
Insurance	87,478
Depreciation	292,832
Interest	<u>848,653</u>
 Total Program Expenses	 1,431,430
 <b>Program Revenues:</b>	
Charges for services	<u>1,002,846</u>
 <b>Net Program Revenues (Expenses)</b>	 (428,584)
 General Revenues:	
Unrestricted interest and investment earnings	<u>71,797</u>
 <b>Change in Net Assets</b>	 (356,787)
 Net Assets, Beginning of Year, restated	<u>(153,987)</u>
 <b>Net Assets, End of Year</b>	 <u><u>\$ (510,774)</u></u>

**COUNTY OF SAN JOAQUIN**

Combining Balance Sheet  
County Service Area #31 - Flag City  
All Governmental Funds  
As of June 30, 2009

	Special Revenue Funds			Debt Service	Capital Projects	Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	Capital Outlay	
<b>ASSETS</b>						
Cash and investments	\$ 243,896	\$ 735,184	\$ 979,080	\$ --	\$ 1,391	\$ 980,471
Interest receivable	335	1,584	1,919	--	3	1,922
Accounts receivable	21,658	5,983	27,641	--	--	27,641
Restricted assets:						
Cash and investments	--	100,988	100,988	626,625	--	727,613
Interest receivable	--	--	--	13,254	--	13,254
Total Assets	<u>\$ 265,889</u>	<u>\$ 843,739</u>	<u>\$ 1,109,628</u>	<u>\$ 639,879</u>	<u>\$ 1,394</u>	<u>\$ 1,750,901</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,195	\$ 539	\$ 1,734	\$ --	\$ --	\$ 1,734
Advances from other funds	--	1,179,378	1,179,378	--	--	1,179,378
Total Liabilities	<u>1,195</u>	<u>1,179,917</u>	<u>1,181,112</u>	<u>--</u>	<u>--</u>	<u>1,181,112</u>
<b>FUND BALANCES</b>						
Reserve for encumbrances	--	218,685	218,685	--	--	218,685
Unreserved	264,694	(554,863)	(290,169)	639,879	1,394	351,104
Total Fund Balances	<u>264,694</u>	<u>(336,178)</u>	<u>(71,484)</u>	<u>639,879</u>	<u>1,394</u>	<u>569,789</u>
Total Liabilities and Fund Balances	<u>\$ 265,889</u>	<u>\$ 843,739</u>	<u>\$ 1,109,628</u>	<u>\$ 639,879</u>	<u>\$ 1,394</u>	<u>\$ 1,750,901</u>

**RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS:**

Fund Balances from above	\$ 569,789
Amounts reported for governmental activities in the statement of net assets are difference because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	7,484,731
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds:	
Certificates of participation	(8,335,812)
Accrued interest payable	<u>(229,482)</u>
Net assets of governmental activities	<u>\$ (510,774)</u>

## COUNTY OF SAN JOAQUIN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances County Service Area #31 - Flag City For the Year Ended June 30, 2009

	Special Revenue Funds			Debt Service	Capital Projects	Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	Capital Outlay	
Revenues:						
Use of money and property	5,606	22,676	\$ 28,282	43,483	32	\$ 71,797
Charges for services	192,027	810,819	1,002,846	--	--	1,002,846
<b>Total Revenues</b>	<b>197,633</b>	<b>833,495</b>	<b>1,031,128</b>	<b>43,483</b>	<b>32</b>	<b>1,074,643</b>
Expenditures:						
Current:						
Public ways and facilities:						
Professional services	61,201	113,880	175,081	--	--	175,081
Utilities	13,661	5,044	18,705	--	--	18,705
Communication	--	204	204	--	--	204
Office expenses	148	44	192	--	--	192
Special expenses	1,396	1,226	2,622	--	--	2,622
Maintenance	1,361	4,301	5,662	--	--	5,662
Insurance	87,478	--	87,478	--	--	87,478
Capital outlay	--	128,238	128,238	--	--	128,238
Interest	--	78,170	78,170	537,064	--	615,234
<b>Total Expenditures</b>	<b>165,245</b>	<b>331,107</b>	<b>496,352</b>	<b>537,064</b>	<b>--</b>	<b>1,033,416</b>
Excess of Revenues Over (Under) Expenditures	32,388	502,388	534,776	(493,581)	32	41,227
Other Financing Sources and Uses:						
Transfers in	--	27,354	27,354	537,029	--	564,383
Transfers out	--	(537,029)	(537,029)	(27,354)	--	(564,383)
<b>Total other Financing Sources and Uses</b>	<b>--</b>	<b>(509,675)</b>	<b>(509,675)</b>	<b>509,675</b>	<b>--</b>	<b>--</b>
Change in Fund Balance	32,388	(7,287)	25,101	16,094	32	41,227
Fund Balance, Beginning of Year	232,306	(328,891)	(96,585)	623,785	1,362	528,562
Fund Balance, End of Year	<u>\$ 264,694</u>	<u>\$ (336,178)</u>	<u>\$ (71,484)</u>	<u>\$ 639,879</u>	<u>\$ 1,394</u>	<u>\$ 569,789</u>

# COUNTY OF SAN JOAQUIN

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities County Service Area #31 - Flag City For the Fiscal Year Ended June 30, 2009

Net change to fund balance - total governmental funds \$ 41,227

Amounts reported for governmental activities in the  
statement of activities are different because:

Governmental funds report capital outlay as expenditures. However,  
in the statement of activities, the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation  
expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 128,238	
Less current year depreciation	<u>(292,832)</u>	(164,594)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment  
reduces long-term liabilities in the statement of net assets. Also, governmental funds report  
the effect of issuance costs, premiums, discounts, and similar items when debt is first issued,  
whereas these amounts are deferred and amortized in the statement of activities.

Amortization of discount on certificate of participation		(3,937)
--	--	---------

Some expenses reported in the statement of activities do not  
require the use of current financial resources and, therefore, are  
not reported as expenditures in governmental funds.

Change in accrued interest payable		<u>(229,483)</u>
------------------------------------	--	------------------

Change in net assets of governmental activities		<u><u>\$ (356,787)</u></u>
---	--	----------------------------

**STATISTICAL SECTION –  
FINANCIAL ONLY**



# COUNTY OF SAN JOAQUIN

## Changes in Net Assets, Last Eight Fiscal Years For the Year Ended June 30, 2009

	2008-09	2007-08	2006-07
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 38,743,985	\$ 31,655,441	\$ 20,374,318
Public protection	303,010,545	277,183,027	248,844,996
Public ways and facilities	41,407,882	49,711,444	37,531,443
Health and sanitation	135,808,377	133,879,694	124,328,143
Public assistance	344,216,452	332,367,831	324,549,286
Education	6,724,552	7,010,323	6,266,998
Culture and recreation	9,069,181	7,377,767	6,108,149
Interest on long-term debt	8,424,991	11,684,229	5,188,180
Total governmental activities expenses	887,405,965	850,869,756	773,191,513
Business-type activities:			
Solid Waste	20,980,240	19,682,725	21,022,270
Hospital	203,675,658	204,207,568	194,540,564
Airport	3,813,218	3,915,507	4,592,686
Total business-type activities expenses	228,469,116	227,805,800	220,155,520
 Total primary government expenses	 1,115,875,081	 1,078,675,556	 993,347,033
 <b>Program Revenues:</b>			
Governmental activities:			
Charges for services			
General government	20,891,343	20,878,702	25,644,079
Public protection	46,309,079	46,128,760	43,895,054
Public ways and facilities	10,333,240	10,970,609	10,750,679
Community infrastructure pro	1,344,892	3,564,809	5,424,835
Health & sanitation	34,934,714	33,600,035	32,909,784
Children & families act program	574	1,000	3,507
Public assistance	2,166,674	1,329,035	1,004,460
Education	274,717	157,664	137,306
Recreation	1,885,727	1,588,227	1,504,986
Operating grants and contribution	481,756,701	517,574,981	506,957,550
Capital grants and contribution (3)	21,311,899	15,098,553	6,167,215
Total governmental activities revenues	621,209,560	650,892,375	634,399,455
Business-type activities:			
Charges for services			
Solid Waste	16,274,245	17,678,924	19,171,854
Hospital	169,748,603	166,796,464	151,052,423
Airport	1,576,065	1,664,750	1,364,367
Operating grants and contribution	974,955	1,715,573	1,357,945
Capital grants and contribution (3)	--	--	--
Total business-type activities revenues	188,573,868	187,855,711	172,946,589
 Total primary government revenues	 809,783,428	 838,748,086	 807,346,044
 <b>Net(expense)/revenue</b>			
Governmental activities	(266,196,405)	(199,977,381)	(138,792,058)
Business-type activities	(39,895,248)	(39,950,089)	(47,208,931)
Total primary government net expense	\$ (306,091,653)	\$ (239,927,470)	\$ (186,000,989)

continued

	2005-06	2004-05	2003-04	2002-03	2001-02
\$	25,732,859	\$ 27,912,118	\$ 30,779,313	\$ 38,795,621	\$ 34,228,773
	230,090,340	209,655,788	202,926,413	190,662,044	188,040,521
	37,605,714	33,381,324	39,656,503	34,232,728	32,655,358
	119,566,506	113,805,931	114,164,687	108,020,461	95,671,637
	307,459,822	286,344,969	262,306,099	259,868,711	250,800,994
	5,865,222	5,670,639	4,141,557	4,224,248	4,075,421
	5,580,859	5,151,479	4,851,047	4,892,440	4,516,643
	4,040,221	3,301,400	3,602,597	3,767,117	3,687,949
	<u>735,941,543</u>	<u>685,223,648</u>	<u>662,428,216</u>	<u>644,463,370</u>	<u>613,677,296</u>
	17,685,787	19,128,619	18,258,876	14,761,783	14,819,128
	189,776,046	171,184,362	158,342,874	160,106,702	152,420,720
	3,663,416	3,492,808	2,877,679	2,567,318	2,741,807
	<u>211,125,249</u>	<u>193,805,789</u>	<u>179,479,429</u>	<u>177,435,803</u>	<u>169,981,655</u>
	<u>947,066,792</u>	<u>879,029,437</u>	<u>841,907,645</u>	<u>821,899,173</u>	<u>783,658,951</u>
	20,161,576	13,147,165	12,902,374	8,038,035	12,303,088
	50,135,663	47,004,966	45,568,340	40,848,887	32,451,657
	9,713,552	8,084,373	14,917,746	11,129,767	19,852,028
	3,922,438	2,744,572			3,082,241
	29,049,369	32,172,418	33,432,777	35,571,727	31,870,685
					965,243
	1,162,124	882,179	770,841	458,498	28,284
	146,925	165,664	146,494	123,384	177,849
	1,580,398	1,429,929	1,468,930	1,448,001	1,294,571
	476,195,426	445,160,436	401,581,907	411,746,972	407,032,211
	14,389,355	6,523,968	10,343,663	75,199,646	9,601,105
	<u>606,456,826</u>	<u>557,315,670</u>	<u>521,133,072</u>	<u>584,564,917</u>	<u>518,658,962</u>
	19,699,066	16,397,404	14,421,249	14,189,244	12,363,704
	158,935,264	151,749,835	139,106,939	126,726,781	130,241,517
	1,456,000	2,505,795	1,764,248	1,337,875	1,051,249
	219,750	443,470	402,321	730,141	601,569
	57,372,734	--	6,199,257	1,784,775	521,246
	<u>237,682,814</u>	<u>171,096,504</u>	<u>161,894,014</u>	<u>144,768,816</u>	<u>144,779,285</u>
	<u>844,139,640</u>	<u>728,412,174</u>	<u>683,027,086</u>	<u>729,333,733</u>	<u>663,438,247</u>
	(129,484,717)	(127,907,978)	(141,295,144)	(59,898,453)	(95,018,334)
	26,557,565	(22,709,285)	(17,585,415)	(32,666,987)	(25,202,370)
\$	<u>(102,927,152)</u>	<u>(150,617,263)</u>	<u>(158,880,559)</u>	<u>(92,565,440)</u>	<u>(120,220,704)</u>

## COUNTY OF SAN JOAQUIN

### Changes in Net Assets, Last Seven Fiscal Years (continued) For the Year Ended June 30, 2009

	2008-09	2007-08	2006-07
<b>General revenues and other changes in net assets</b>			
Governmental activities:			
Property taxes	228,875,556	\$ 234,895,057	\$ 219,157,813
Sales taxes	22,034,677	26,759,854	28,596,414
Motor vehicle and other in lieu taxes	4,383,463	4,804,452	4,952,713
Tobacco settlement proceeds	6,849,537	6,230,445	5,936,350
Other	5,440,246	6,258,720	6,948,456
Investment earnings	15,167,101	27,198,618	27,259,242
Miscellaneous	(116,862)	83,414	--
Transfers	(26,006,773)	(47,806,151)	(21,743,326)
Extraordinary item (1)		--	--
Prior period adjustments (2)	(78,007,878)	--	21,145,540
Total governmental activities	<u>178,619,067</u>	<u>258,424,409</u>	<u>292,253,202</u>
Business-type activities			
Property taxes	624,866	486,589	497,427
Investment earnings	1,407,937	1,701,493	4,425,054
Other	-	2,301,957	712,180
Transfers	26,006,773	47,806,151	21,743,326
Prior period adjustments	23,575,078	--	(64,074,180)
Total business-type activities	<u>51,614,654</u>	<u>52,296,190</u>	<u>(36,696,193)</u>
Total primary government	<u>\$ 230,233,721</u>	<u>\$ 310,720,599</u>	<u>\$ 255,557,009</u>
<b>Changes in net assets</b>			
Governmental activities	(87,577,338)	\$ 58,447,028	\$ 153,461,144
Business-type activities	11,719,406	12,346,101	(83,905,124)
Total primary government	<u>\$ (75,857,932)</u>	<u>\$ 70,793,129</u>	<u>\$ 69,556,020</u>

(1) = The County's share of the State of California's penalty assessment by the federal government for its failure to establish a State-wide automated child support collection system.

(2) = 2001-02 and 2002-03 - Funds classified as "agency fund group" previously are reclassified as an integral part of the County's governmental fund group.

(2) = 2004-05 - Reflect the capitalization of the financial and personnel computer system and the right-of-way acquisitions expended in prior years.

(2) = 2006-07 - Reflect deduction of the infrastructure transferred by the developers to the Mountain House Service District in prior years as a result of the Final Deduction accepted in August 2007. It also reflects the reduction of the revenue liability as the development fees were collected by the developers without being recorded in the pledged utility funds.

(2) = 2008-09 - Remove Mountain House CSD balances to reflect change in reporting entity. Correct reporting of revenues and expenses.

(3) = 2005-06 and 2002-03 - Reflect the developer's capital contribution for the Mountain House Service District.

	2005-06	2004-05	2003-04	2002-03	2001-02
\$	185,372,303	\$ 151,882,750	\$ 86,669,108	\$ 85,827,506	\$ 77,334,414
	32,125,346	28,403,230	27,140,610	13,462,083	11,302,600
	5,159,327	17,446,086	37,340,881	50,010,443	42,733,916
	5,591,287	6,025,258	6,067,708	7,099,275	7,429,440
	8,938,958	9,140,545	7,144,766	5,722,455	4,844,335
	17,501,863	7,916,246	3,535,745	4,899,391	7,803,258
	--	--	151,610	--	11,742
	(39,971,492)	(24,124,551)	(20,180,124)	(20,702,077)	(22,142,220)
	--	--	(1,010,334)	--	--
	--	9,091,468	--	4,053,340	649,415
	<u>214,717,592</u>	<u>205,781,032</u>	<u>146,859,970</u>	<u>150,372,416</u>	<u>129,966,900</u>
	447,221	--	--	--	650604
	1,474,136	2,097,150	1,352,743	2,579,915	1951500
	--	--	--	--	--
	39,971,492	24,124,551	20,180,124	20,702,077	22142220
	--	--	--	--	965197
	<u>41,892,849</u>	<u>26,221,701</u>	<u>21,532,867</u>	<u>23,281,992</u>	<u>25,709,521</u>
\$	<u>256,610,441</u>	<u>232,002,733</u>	<u>168,392,837</u>	<u>173,654,408</u>	<u>155,676,421</u>
\$	85,232,875	\$ 77,873,054	\$ 5,564,826	\$ 90,473,963	\$ 34,948,566
	68,450,414	3,512,416	3,947,452	(9,384,995)	507,151
\$	<u>153,683,289</u>	<u>81,385,470</u>	<u>9,512,278</u>	<u>81,088,968</u>	<u>35,455,717</u>

# COUNTY OF SAN JOAQUIN

## County of San Joaquin Fund Balances, Governmental Funds Last Eight Fiscal Years As of June 30, 2009

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
General fund:			
Reserved	\$ 21,134,010	\$ 21,001,803	\$ 14,546,165
Unreserved	71,447,235	47,908,310	83,156,996
Total general fund	<u>92,581,245</u>	<u>68,910,113</u>	<u>97,703,161</u>
All Other Governmental Funds			
Reserved	121,178,489	207,438,037	251,338,071
Unreserved, reported in:			
Special Revenue Funds	103,502,191	106,034,209	107,507,012
Capital Project Funds	12,060,452	14,278,900	18,843,149
Total all other governmental funds	<u>236,741,132</u>	<u>327,751,146</u>	<u>377,688,232</u>
Total, all governmental funds	<u>\$ 329,322,377</u>	<u>\$ 396,661,259</u>	<u>\$ 475,391,393</u>

2005-06	2004-05	2003-04	2002-03	2001-02
\$ 15,070,347	\$ 15,059,550	\$ 16,282,303	\$ 18,071,737	\$ 12,977,323
102,807,800	54,302,437	14,809,035	26,612,224	25,299,737
<u>117,878,147</u>	<u>69,361,987</u>	<u>31,091,338</u>	<u>44,683,961</u>	<u>38,277,060</u>
82,359,538	67,074,862	85,343,195	89,295,726	110,548,916
84,887,806	86,357,996	58,703,829	70,284,471	85,597,972
15,319,173	7,616,277	1,118,684	(10,340,773)	(21,978,654)
<u>182,566,517</u>	<u>161,049,135</u>	<u>145,165,708</u>	<u>149,239,424</u>	<u>174,168,234</u>
<u>\$ 300,444,664</u>	<u>\$ 230,411,122</u>	<u>\$ 176,257,046</u>	<u>\$ 193,923,385</u>	<u>\$ 212,445,294</u>

# COUNTY OF SAN JOAQUIN

## County of San Joaquin Legal Debt Margin Information Last Eight Fiscal Years As of June 30, 2009

	Fiscal year ended June 30		
	2008-09	2007-08	2006-07
Debt Limit	\$ 730,992,679	\$ 746,277,606	\$ 681,583,871
Total net debt applicable to limit	--	--	--
Legal debt margin	730,992,679	746,277,606	681,583,871
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

Government Code Section 25371 limits the County's ability to raise resources through the issuance of debt to finance acquisitions or construction of County facilities. The debt limit is 1 1/4% of the total assessed value

Fiscal year ended June 30				
2005-06	2004-05	2003-04	2002-03	2001-02
\$ 576,919,493	\$ 497,461,589	\$ 440,925,627	\$ 398,527,288	\$ 398,527,000
--	--	--	--	--
576,919,493	497,461,589	440,925,627	398,527,288	398,527,000
0.00%	0.00%	0.00%	0.00%	0.00%



**COUNTY OF SAN JOAQUIN**

County of San Joaquin  
Ratios of Outstanding Debt by Type,  
Last Eight Years  
As of June 30, 2009

Fiscal Year	Governmental Activities			
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence
2009	136,235,333	3,664,009	127,256,167	29,887,868
2008	141,983,075	2,776,957	106,054,901	28,292,596
2007	139,092,879	2,722,657	91,355,772	27,069,951
2006	43,029,172	1,578,874	122,005,002	28,759,456
2005	47,436,140	743,953	4,929,183	23,038,782
2004	51,523,204	929,104	4,320,462	22,134,256
2003	55,314,773	1,989,558	2,580,100	21,853,309
2002	58,815,190	2,304,326	3,579,100	20,351,048

Continued

**COUNTY OF SAN JOAQUIN**

County of San Joaquin  
Ratios of Outstanding Debt by Type,  
Last Eight Years (continued)  
As of June 30, 2009

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence	Landfill Closure and Postclosure
2009	90,639,277	1,735,271	5,954,580	5,985,578	12,971,673
2008	121,731,924	2,290,525	134,007,676	5,880,632	10,628,021
2007	103,679,165	2,731,896	116,921,026	5,353,769	9,949,652
2006	109,239,109	151,638	118,864,360	5,257,321	8,685,737
2005	114,254,053	233,382	90,134	4,802,333	10,021,598
2004	118,788,998	311,742	92,792	5,133,855	6,908,034
2003	122,798,940	394,191	95,151	5,165,988	4,765,986
2002	107,614,109	14,194	97,244	4,422,669	4,740,172

Continued

# COUNTY OF SAN JOAQUIN

County of San Joaquin  
Ratios of Outstanding Debt by Type,  
Last Eight Years (continued)  
As of June 30, 2009

<u>Fiscal Year</u>	<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Population</u>
2009	414,329,756	601	689,480
2008	553,646,307	807	685,660
2007	498,876,767	734	679,687
2006	437,570,669	655	668,265
2005	205,549,558	317	648,422
2004	210,142,447	333	630,577
2003	214,957,996	350	613,490
2002	201,938,052	339	595,985

## COUNTY OF SAN JOAQUIN

### Changes in Fund Balances, Governmental Funds - SJC

Last Eight years

June 30, 2009

	2008-09	2007-08	2006-07	2005-06
<b>REVENUES</b>				
Taxes	\$ 262,120,999	\$ 227,076,417	\$ 218,146,216	\$ 216,269,438
Licenses and permits	4,909,610	6,659,885	8,486,276	9,844,592
Fines, forfeits and penalties	17,169,243	17,348,913	13,722,623	18,067,404
Use of money and property	12,190,863	22,631,027	22,192,339	14,275,552
Aid from other governmental agencies	511,206,416	540,440,978	523,657,229	498,014,555
Charges for services	91,461,555	101,260,527	108,213,886	91,903,011
Miscellaneous	13,211,719	14,508,205	12,019,797	15,186,059
<b>TOTAL REVENUES</b>	<u>912,270,405</u>	<u>929,925,952</u>	<u>906,438,366</u>	<u>863,560,611</u>
<b>EXPENDITURES</b>				
Current:				
General government	48,006,592	51,768,284	44,561,751	38,369,942
Public safety	276,607,702	263,415,264	237,999,875	215,520,350
Public ways and facilities	28,236,546	35,818,333	36,445,617	34,935,720
Health & sanitation	130,599,944	131,038,122	121,594,955	116,869,120
Public assistance	337,562,155	328,313,700	320,973,887	304,048,779
Education	6,646,636	6,927,513	6,182,337	5,803,595
Recreation	6,369,288	5,468,614	4,706,578	4,131,171
Capital outlay	99,541,241	122,920,479	43,451,406	31,683,615
Debt service:				
Principal	6,397,785	13,690,137	12,879,337	5,486,955
Interest	7,936,181	10,593,228	4,304,826	3,208,775
Refunding escrow	--	--	18,398,858	--
Total expenditures	<u>947,904,070</u>	<u>969,953,674</u>	<u>851,499,427</u>	<u>760,058,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,633,665)</u>	<u>(40,027,722)</u>	<u>54,938,939</u>	<u>103,502,589</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers in	57,611,137	61,170,226	224,284,684	47,101,771
Transfers out	(84,143,865)	(109,397,997)	(247,086,701)	(82,599,029)
Interfund interest	--	--	--	33,615
Loan proceeds	790,682	9,525,359	119,431,952	425,981
Capital grants	--	--	--	1,568,615
Extraordinary and special item-Fed Govt Penalty prior periods adjustment	--	--	--	--
<b>TOTAL OTHER FINANCING</b>	<u>(25,742,046)</u>	<u>(38,702,412)</u>	<u>96,629,935</u>	<u>(33,469,047)</u>
<b>Net change in fund balances</b>	<u>\$ (61,375,711)</u>	<u>\$ (78,730,134)</u>	<u>\$ 151,568,874</u>	<u>\$ 70,033,542</u>

2004-05	2003-04	2002-03	2001-02
\$ 169,201,969	\$ 112,347,258	\$ 106,749,269	\$ 95,800,789
7,407,564	7,430,313	5,388,267	4,825,994
14,080,149	11,656,083	10,752,441	10,864,649
6,611,373	3,133,097	4,668,323	12,122,232
475,119,794	448,488,147	454,815,250	461,871,684
85,555,433	83,232,358	78,970,076	71,208,354
15,277,219	14,665,287	14,016,900	16,515,994
<u>773,253,501</u>	<u>680,952,543</u>	<u>675,360,526</u>	<u>673,209,696</u>
31,018,117	31,296,316	36,277,964	37,055,410
199,948,767	194,602,048	181,895,446	179,413,886
31,528,734	29,781,894	27,254,974	26,151,100
112,053,011	112,618,258	106,415,747	94,778,227
285,095,525	260,876,919	258,408,303	250,652,919
5,586,424	4,018,930	4,125,295	3,989,708
3,554,593	3,368,867	3,622,470	3,435,111
25,711,923	35,030,831	46,987,741	34,141,151
5,216,438	5,484,743	4,825,020	5,402,261
3,266,278	3,237,657	3,542,306	3,377,075
--	--	--	--
<u>702,979,810</u>	<u>680,316,463</u>	<u>673,355,266</u>	<u>638,396,848</u>
<u>70,273,691</u>	<u>636,080</u>	<u>2,005,260</u>	<u>34,812,848</u>
35,711,734	24,458,294	33,598,997	35,085,473
(52,034,944)	(45,047,748)	(55,389,327)	(59,375,019)
--	--	--	--
203,597	3,297,369	--	--
--	--	--	--
--	(1,010,334)	--	--
--	--	1,263,161	1,622,832
<u>(16,119,613)</u>	<u>(18,302,419)</u>	<u>(20,527,169)</u>	<u>(22,666,714)</u>
<u>\$ 54,154,078</u>	<u>\$ (17,666,339)</u>	<u>\$ (18,521,909)</u>	<u>\$ 12,146,134</u>

## COUNTY OF SAN JOAQUIN

### Net Assets by Component, Last Eight Fiscal Years As of June 30, 2009

	2008-09	2007-08	2006-07	2005-06
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 441,546,314	\$ 485,015,056	\$ 430,608,245	\$ 351,981,529
Restricted net assets	357,928,522	373,275,682	392,180,625	250,392,162
Unrestricted net assets	81,935,235	118,084,147	102,397,924	139,875,959
Total governmental activities net assets	<u>881,410,071</u>	<u>976,374,885</u>	<u>925,186,794</u>	<u>742,249,650</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	40,581,470	18,627,614	33,306,889	28,558,534
Restricted net assets	2,133,763	11,528,014	6,420,931	14,403,192
Unrestricted net assets	14,786,968	18,372,385	13,385,486	35,221,568
Total business-type activities net assets	<u>57,502,201</u>	<u>48,528,013</u>	<u>53,113,306</u>	<u>78,183,294</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	482,127,784	503,642,670	463,915,134	380,540,063
Restricted net assets	360,062,285	384,803,696	398,601,556	264,795,354
Unrestricted net assets	96,722,203	136,456,532	115,783,410	175,097,527
Total primary government net assets	<u>\$ 938,912,272</u>	<u>\$ 1,024,902,898</u>	<u>\$ 978,300,100</u>	<u>\$ 820,432,944</u>

	2004-05	2003-04	2002-03	2001-02
\$	374,392,279	\$ 368,137,777	\$ 293,067,118	\$ 248,502,581
	213,625,664	152,047,237	157,613,542	151,307,681
	100,898,953	91,807,063	155,746,621	116,143,053
	<u>688,916,896</u>	<u>611,992,077</u>	<u>606,427,281</u>	<u>515,953,315</u>
	26,284,166	13,900,024	15,719,581	7,684,095
	6,131,099	12,797,787	19,035,786	852,809
	42,054,455	44,259,493	32,254,485	67,857,943
	<u>74,469,720</u>	<u>70,957,304</u>	<u>67,009,852</u>	<u>76,394,847</u>
	400,676,445	382,037,801	308,786,699	256,186,676
	219,756,763	164,845,024	176,649,328	152,160,490
	142,953,408	136,066,556	188,001,106	184,000,996
\$	<u><u>763,386,616</u></u>	<u><u>682,949,381</u></u>	<u><u>673,437,133</u></u>	<u><u>592,348,162</u></u>